

**NOMINATION OF DR. DONALD M. KERR
TO BE PRINCIPAL DEPUTY DIRECTOR OF
NATIONAL INTELLIGENCE**

HEARING
BEFORE THE
SELECT COMMITTEE ON INTELLIGENCE
OF THE
UNITED STATES SENATE
ONE HUNDRED TENTH CONGRESS

FIRST SESSION

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AUGUST 1, 2007
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**NOMINATION OF DR. DONALD M. KERR TO BE
PRINCIPAL DEPUTY DIRECTOR OF
NATIONAL INTELLIGENCE**

AUGUST 1, 2007

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

The Committee met, pursuant to notice, at 2:37 p.m., in room SH-216, Hart Senate Office Building, the Honorable Christopher Bond (Vice Chairman of the Committee) presiding.

Present: Senators Bond, Mikulski, Feingold, Nelson of Florida, Whitehouse, Chambliss, Snowe, and Warner.

Also present: Senator Bingaman.

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

Vice Chairman BOND. This hearing will come to order. Chairman Rockefeller regrettably is unable to be here today due to an unavoidable conflict and he has asked me to preside over the hearing, pursuant to the Committee rules and practice.

I ask unanimous consent that any opening statements that Members may have or that the witness may have may be included in the record in full. Hearing no objection, it is so ordered.

Dr. Kerr, I welcome you today for the Committee's hearing on your nomination to be the next Principal Deputy Director of National Intelligence. I appreciate having an opportunity to meet your wife Alison and welcome her and other family members.

As we know, in May 2006, General Hayden resigned this position to become Director of the Central Intelligence Agency, and since then, in spite of the importance of this Principal Deputy position for the IC, there had not been an urgency to fill this vacancy permanently. Earlier this year the Committee held a hearing on the nomination of Admiral Mike McConnell to be DNI. At that time we asked if he would make finding a new Principal Deputy a priority. We were assured it would be, and Director McConnell has been good to his word. I'm pleased we're finally able to consider Dr. Kerr to fill this key post.

While a lot of focus is necessarily placed on the DNI, the role of Principal Deputy is no less essential to the success of the intelligence community and to its continued transformation. I expect that, should Dr. Kerr be confirmed by the Senate, his background in technology and science can be extremely useful.

He comes before the Committee having spent most of his professional career in Government service. He has served in various positions at Los Alamos National Laboratory and at the Department of Energy. More recently, he was Assistant Director of the Laboratory Division at the FBI, and then the Deputy Director for Science and Technology at the CIA. For the past 2 years, he has served as Director of the National Reconnaissance Office, which unfortunately is one of the more troubled and poorly performing agencies within the intelligence community. In addition to his Government service, Dr. Kerr has held several executive management positions in the private sector.

These experiences collectively and separately give Dr. Kerr a unique perspective in assessing the technology and science challenges lying ahead for the intel community.

I would say that one of the most important things he can do is use the best science and technology to engineer an effective structure in the intelligence community. We gave a massive charge to the DNI and did not give him the tools to accomplish that task. So we look to the new Principal Deputy and the Director to give us a road map for next year on how we can assure that the community operates as we expected but regrettably did not give it the tools to do.

There are going to be some questions about programmatic decisions Dr. Kerr made as a Director of the NRO, some we consider missteps at the NRO prior to his tenure. That testimony will have to be taken in closed session. But I must say in open forum that there had been a disturbing lack of accountability at the NRO for actions that have resulted in the loss to the taxpayers of, inappropriately enough, an astronomical amount of dollars. The Committee and the full Senate will have to understand the reasons for this lack of accountability, and we look forward to pursuing this in closed session.

Before concluding, I add a very special word of thanks for Lieutenant General Ronald Burgess, who has filled in as the Acting Principal Deputy for much of the past year. We are grateful for his service and applaud his continued dedication to the intelligence community.

With that, we are pleased to be joined by two distinguished Members of the Senate who are at the table with Dr. Kerr, I assume for the purposes of commenting about Dr. Kerr. And I start over here with a Member of the Committee, Senator Warner.

Senator WARNER. Mr. Chairman, may I suggest that we extend a courtesy to our distinguished colleague so that he can proceed since I will join you for the balance of the hearing? So I'm going to stay.

Vice Chairman BOND. Senator Bingaman, equally distinguished Senator from New Mexico.

**STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR
FROM NEW MEXICO**

Senator BINGAMAN. Thank you very much, Chairman Bond. It's a pleasure to be here to introduce to the Committee and to endorse the nomination of Don Kerr for this important position.

I became acquainted with Don when I first was elected to the U.S. Senate and he was the Director of Los Alamos National Laboratory, and he remained in that position until 1985. While there, he established a very distinguished record of service. He established a variety of innovative programs, one of which I'll just mention to the Committee—the Laboratory-Directed Research and Development Program, which was and continues to be a mechanism at the laboratory that has allowed for some of the very best of the research that is done at not only Los Alamos but all of our national laboratories to occur.

So I admired his work as head of Los Alamos, and I've admired his service to the country in many capacities since then. You went through that list of positions that he has held, some in the private sector, some in the public sector.

But I feel strongly that he is extremely well-qualified for this important position. I know that the Committee has a much clearer view than I do as to all the responsibilities that attach to this position that he has been nominated for, but I'm confident that you'll not find anybody who's better qualified by experience or training or capability to do the work.

So I would recommend that Don Kerr be approved and recommended to the full Senate for confirmation.

Vice Chairman BOND. Well, thank you very much, Senator Bingaman. We will, of course, give your comments and support great weight and we appreciate your taking the time to be with us.

Senator BINGAMAN. Thank you.

Vice Chairman BOND. Now I will turn to a fellow Member of our Committee, the other distinguished Senator at the table, Senator Warner from Virginia.

Senator WARNER. Thank you. At this time, Mr. Chairman, I wonder if you would invite the nominee to introduce his family.

Vice Chairman BOND. Please, Dr. Kerr.

Dr. KERR. Well, it will be a very short and brief introduction. My wife, Alison, with whom I've been living, working and doing everything else one can do for the past 46 years, is here behind me. Here she is.

Vice Chairman BOND. Welcome, Mrs. Kerr.

Senator WARNER. That was brief.

Dr. KERR. I'm sorry I couldn't do better, sir.

[Laughter.]

Senator WARNER. Well, my brief sheet says that there's a daughter, Margo, and she's not with us today.

Dr. KERR. Well, we do have a daughter, Margo. She's a practicing veterinarian in Denver and was here just a week or so ago with the two little girls she and her husband are adopting. But now she has to help support them.

Senator WARNER. I think it's important that the record reflect that family.

Mr. Chairman, you've given a very complete briefing on the nominee's distinguished background, as supplemented by our colleague Senator Bingaman. So I just want to add a few words and put my statement into the record.

Vice Chairman BOND. Please.

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

Senator WARNER. I always like to start with the law, and that is the Intelligence Reform and Terrorism Prevention Act of 2004 established the office of the Director of National Intelligence, and the law served as the most dramatic reform of our Nation's intelligence capabilities since Harry S. Truman signed the National Security Act of 1947. The 2004 law provides that the Principal Deputy Director of National Intelligence—the nominee now before us—shall assist the Director in carrying out these duties. Together they are the principal advisers to the President of the United States and the National Security Council and the Homeland Security Council for intelligence matters related to national security and the head of the United States intelligence community and overseeing and directing the national intelligence program of our Nation.

Now, despite what I have to say and what others have to say, the most important endorsement, I think, of this nominee, next to that of the President in selecting him, is that the Director of National Intelligence, Admiral McConnell, has complete confidence in this nominee's abilities to serve as his Principal Deputy.

We've all seen Admiral McConnell in action, and yesterday was a clear example of his extraordinary abilities as he appeared here in the Senate on some very important matters. And I can only add to this, Mr. Chairman, that—I added it up here quickly—38 years ago I walked into the Pentagon, in the Navy Under Secretary's office. And I've been dealing with intelligence matters for 38 years. And I don't know that I've ever seen a more qualified individual than Don Kerr to entrust our Nation's intelligence to.

Good luck to you.

Dr. Kerr. Thank you very much.

[The prepared statement of Senator Warner follows:]

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

Vice Chairman Bond and distinguished colleagues; it is my pleasure to introduce to you today an outstanding intelligence professional, public servant and Virginian—Dr. Donald M. Kerr—who has been nominated to serve as our *second* Principal Deputy Director of National Intelligence.

FAMILY

I would like to recognize Don's wife, Alison, who is in attendance today, and to thank her, along with their daughter Margot, for their steadfast support and sacrifice not only in support of Don, but also our nation.

ROLE AND IMPORTANCE OF THE DNI

The Intelligence Reform and Terrorism Prevention Act of 2004 established the Office of the Director of National Intelligence. This law serves as the most dramatic reform of our nation's intelligence capabilities since President Harry S. Truman signed the National Security Act of 1947, and provides that the Principal Deputy Director of National Intelligence shall assist the Director of National Intelligence in carrying out his duties as:

- The principal advisor to the President of the United States, the National Security Council and the Homeland Security Council for intelligence matters related to national security and the head of the of the United States Intelligence Community.
- And in overseeing and directing the national intelligence program of the United States.

Director of National Intelligence McConnell has confidence in Don's abilities to serve as his Principal Deputy.

CAREER HIGHLIGHTS

The 2004 Act also requires that any individual nominated as Principal Deputy shall have extensive national security and management experience. Don has just that, having served in four agencies with intelligence responsibilities, including as:

- Deputy Assistant Secretary for Energy Technology and the Deputy Assistant Secretary for Defense Programs at the Department of Energy.
- Federal Bureau of Investigation's Assistant Director in Charge, Laboratory Division.
- Deputy Director for Science and Technology at the Central Intelligence Agency.
- Director of the National Reconnaissance Office, where he currently serves.

Don began his government career at the Los Alamos National Lab in 1966 and worked his way up through the Lab and the Department of Energy, eventually becoming Director of Los Alamos in 1979.

PRIVATE SECTOR SERVICE

Don has been equally successful in more than a decade of experience in private sector leadership and management as:

- President and Director of EG&G.
- Corporate Executive Vice President of Science Applications International Corporation (SAIC) in Virginia.
- Executive Vice President of Information Systems Laboratories, Inc.

AWARDS AND RECOGNITION

In addition to earning numerous awards throughout his career for meritorious service, Don was awarded the impressive Director's Award from the Director of Central Intelligence in 2004 and the CIA Distinguished Intelligence Medal in 2005.

ACADEMIC CREDENTIALS

Don earned his undergraduate degree in electrical engineering and advanced degrees in microwave electronics and plasma physics from Cornell University.

SUMMARY

In short, Dr. Donald Kerr has a long and distinguished record of service to the intelligence mission of this country, and I am very pleased to introduce him to the Committee today.

Vice Chairman BOND. Thank you very much, Senator Warner. We appreciate very much our distinguished colleagues joining us.

And now, before I ask the witness some questions, I want to add, for my colleagues, following up on what Senator Warner just described, we have an urgent request before not just this Committee but the entire Congress.

We haven't been able to act on the DNI's initial proposal 3 months ago to modernize the Foreign Intelligence Surveillance Act. But the threats are mounting, and we cannot leave the intelligence community blind or, you might say, deaf in some significant areas.

I've been excluded from much of the negotiations that the majority has had with the Administration on this issue, but I am now involved in the issue and have talked with the DNI, as I believe it should be at the table. And I urge my colleagues to consider a revised proposal that the DNI is making that he says will keep the country safe.

I'd be interested if Dr. Kerr has any comments on modernizing FISA. If you were already the Principal Deputy, then you would be spending your days and nights tending the shop while the DNI has been camped out on the Hill on this urgent matter, and as Senator Warner said, doing an excellent job.

There are a series of questions that are standard procedure, and let me ask you those.

First, as the nominee to be the Principal Deputy Director of National Intelligence, Dr. Kerr, do you agree to appear before the Committee here or in other venues when requested?

Dr. KERR. Yes, I do.

Vice Chairman BOND. Do you agree to send officials from the ODNI or the intelligence community to appear before the Committee and designated staff when requested?

Dr. KERR. Yes, Mr. Chairman.

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

Dr. KERR. Yes, subject only to the caveat, when restricted by law.

Vice Chairman BOND. Will you ensure that the ODNI and the intelligence community provide such material to the Committee when requested?

Dr. KERR. Yes.

Vice Chairman BOND. All right. Well, thank you very much, Dr. Kerr.

Now if you would like to offer your opening statement, we would be happy to receive that.

**STATEMENT OF DR. DONALD M. KERR, PRINCIPAL DEPUTY
DIRECTOR OF NATIONAL INTELLIGENCE-DESIGNATE**

Dr. KERR. Mr. Chairman, Members of the Committee, thank you, and with particular thanks to Senator Warner and Senator Bingaman for introducing me.

I'm pleased to appear before you to discuss my credentials as the nominee for Principal Deputy Director of National Intelligence. Indeed, it is an honor to have been selected by the President and Director McConnell, and if I'm confirmed it will be a privilege to serve.

Based on the Intelligence Reform and Terrorism Prevention Act, and the intelligence community Directive No. 1, as has been pointed out, the duties and responsibilities of the Deputy are substantially the same as for the DNI. However, the DNI, I think, will serve, as he has been, as principal adviser to the President and other senior officials. So I expect the Principal Deputy will be focused as much as possible on coordinating and integrating the activities and products of the 16 organizations that comprise the intelligence community.

Over a 40-year career, I have held a number of senior level public and private sector positions and have learned a few things along the way. In five areas, I think I can bring strength and experience to this job, such as an ability to identify and deal effectively with troubled components, which I have done in at least two Government agencies to this point; a strong technical and management background; coalition-building skills; the ability to drive organizational change; and a strongly held belief that an effective planning system, coupled with strong financial management, can achieve superior results. While I learned this latter lesson in the private sector, I've applied the model to all my subsequent Government jobs.

I've been both personally and professionally committed to national security throughout my career. I've had direct responsibility for intelligence and defense activities in four different Government

agencies—the Department of Energy, the Federal Bureau of Investigation, CIA, and the NRO—and I have supported intelligence programs in private industry and as a staff member and later as Director of the Los Alamos National Laboratory.

This has provided me opportunities to work on a wide variety of intelligence issues, including nuclear proliferation, treaty monitoring, nuclear test detection and analysis, and development of future air and space reconnaissance systems.

I'm particularly proud of the programs I have led to bring technical solutions to intelligence and law enforcement challenges. My commitment to countering terrorism began with activities in 1978 and 1979 when I was the Department of Energy member of the NSC Executive Committee on Terrorism.

This commitment was substantially reinforced by direct responsibilities investigating the East African embassy bombings of 1998 and the attack on the USS COLE in 2000, and certainly refocused tremendously by 9/11 and the efforts of the past 6 years.

I'd like to take a minute to talk about my vision for the intelligence community, as well as several goals I believe are critical for more effectively focusing the community in the challenging post-9/11 environment. I'd also like to share my philosophy about the role of intelligence in our national security construct.

A popularly held contention is that the role of intelligence is to protect the Nation from all harm. Well, this is a succinct way to talk about an ultimate goal. I think the situation is substantially more complicated than that. One academic I think got it about right, describing the role of intelligence as extracting certainty from uncertainty, and facilitating coherent decisionmaking in an incoherent environment.

These are not activities that lend themselves to guarantees or perfect scores as we would like, but they reflect the reality in which we operate. If I were to state what I believe the essence of national intelligence is, I would say that the primary goal is to reduce the risks our Nation faces today and in the future.

These challenges not only require our ongoing dedication and commitment to the national intelligence mission but, more importantly, new and innovative approaches to the work we do, the operations we plan and carry out, the collection assets we design, build and operate, the analyses we produce, and the strategic partnerships we make across traditional and nontraditional boundaries.

Each era has its seemingly impossible challenges. We all know the future is unpredictable, and trends hard to predict. The elements that could significantly transform the geopolitical landscape include nuclear and biological weapons proliferation, catastrophic terrorism, and even pandemic disease.

The intelligence enterprise must think ahead to ensure that the capabilities needed to deal with these challenging and oftentimes explosive issues are available to the analyst, policymaker, operations officer and warfighter when they are needed.

This is all the more difficult, because the threat is no longer predictable and confined to specific geographic areas. It is mobile, dispersed, dynamic and distributed. Intelligence problems are also developing at a much more rapid pace than ever before. We need to posture ourselves to deal in that environment.

And so a few of the things I think most important are our need to seek global situational awareness to the degree we can. We need to be able to deliver critical information to support timely decision-making by both policymakers and our military leadership. We need to be able to anticipate strategic threats, although that may be the hardest thing of all to do. Importantly, as a consequence of intelligence reform, we have to learn to operate as a unified, integrated yet distributed enterprise. We need to adopt technologies and concepts of operations that leverage U.S. advantage. And, finally, we need to maintain appropriate investment levels for future capabilities.

To do this, I think three elements need to be in place. First of all, we have the duty to gather critical intelligence, but to do so in a way that complies with the constitutional and other legal requirements that protect the freedoms and liberties of the American people. There must be proper training and oversight mechanisms for the intelligence community to ensure that there are clear rules for their activities.

Second, given the non-public nature of most of the intelligence community's work, the DNI and the principal deputy must also ensure that Congress is kept appropriately informed of IC activities to enable Congress to perform its oversight responsibilities. To exercise such oversight, the Committees must understand the intelligence process, its organizations, policies, funding, and activities. The DNI and other members of the community must communicate on a regular and continuing basis to keep the oversight committees fully and currently informed, consistent with the protection of sources and methods.

Third, the intelligence community must deliver intelligence information to decisionmakers without bias or prejudice. Intelligence analysis must be held to the highest standards of integrity and objectivity. It must also be rigorous, timely, and independent from political considerations.

To position ourselves to meet the analytic challenges of today and tomorrow, we must go beyond simply doing our current jobs better. We must transform the way our analysts do their work. We must more effectively leverage new and emerging technologies and reach out to expertise wherever it resides.

Effectively inspiring the expertise and experience of our talented intelligence professionals requires strong and focused leadership. If confirmed, I would bring particular emphasis to a number of areas. I would focus on effective financial management, including reducing the indirect cost burden on mission wherever possible. This effort speaks to Director McConnell's goal of modernizing business practices and developing verifiable metrics. The real challenge is developing the right balance between tighter controls and mission effectiveness, and making financial reporting more useful to those who manage our programs. I believe that continuous improvement in financial management should be an intelligence community priority.

If confirmed, I will assist the DNI in moving the intelligence community forward from today's uneven but improving financial management environment to one characterized by common busi-

ness processes and integrated systems that adhere to recognized best business practices across industry and Government.

Accountability is critically important in ensuring that officials are responsible for their actions. Within the intelligence community, accountability ultimately rests with the DNI and the Principal Deputy. However, in a Government based upon checks and balances and collective decisionmaking, determining individual accountability is often very difficult.

It has been my experience that most Government employees, regardless of whether they reside in the executive, legislative, or judicial branches, are simply trying to do what is right for the taxpayer. However, there are occasionally egregious exceptions, and when they occur swift and decisive action must be taken. Each and every member of the community is responsible for using the resources entrusted to them judiciously. Additionally, all Government employees are expected to ensure their performance is consistent with the highest standards of professionalism and integrity. One of the first items on my agenda, if confirmed, would be to ensure that each member of the IC is as fully aware of what is expected and required as practical.

There has been significant discussion about the role of contractors in the intelligence community lately. There are compelling reasons why we use contractors to perform critical functions within the intelligence community. At the NRO, our industry partners design and build our satellite systems as well as provide 24 by 7 operational and maintenance support. We also rely on contractors to provide the basic services that we generally take for granted in the course of our day. These are services that are more economically outsourced and include everything from network maintenance to janitorial support.

There are also certain exigencies that justify an intelligence agency's use of contractors. For example, if an agency has a short-term project or mission that exceeds the capability of its current staff, it is sometimes more appropriate for that agency to use contractors to meet that temporary need than to hire and train permanent Federal civilian employees to perform the work. We also employ contractors or employees of federally funded research and development centers to provide specialized capabilities that we do not find within the Government workforce.

My general philosophy is no contractor should perform inherently Government work, under no circumstances should a contractor make policy or investment decisions on behalf of the Government, and the use of contractors must be more cost effective than using Government resources. If confirmed, I will continue to examine the appropriate use of contractors within the intelligence community.

I believe that the importance of a highly trained workforce cannot be overstated, either for the NRO or the intelligence community as a whole. While at the NRO I've taken a number of steps to work on that problem, starting with a statement of intent that I signed with the Air Force Chief of Staff more than a year ago that made it very clear that the Air Force and the NRO would work closely together to improve the career development of our shared workforce. We've also teamed with Air Force Space Command to train space professionals across the Government in the

new National Security Space Institute at Colorado Springs. I'm working on similar initiatives with the Central Intelligence Agency.

Currently, the NRO's Acquisition Center of Excellence is helping our acquisition professionals complete education requirements leading to advanced degrees in public management and engineering administration. We've also partnered with Virginia Tech to provide an engineering administration Master's degree program onsite at the NRO, and we tried to pull together all of the rest of our training in a virtual university construct to benefit all of our employees and our contractors.

If confirmed, I look forward to supporting Director McConnell in his efforts to more closely integrate the intelligence community. During my tenure, the NRO has been working toward an integrated mix of overhead and ground-based capabilities tailored to the geographically dispersed and dynamic nature of the current and projected intelligence problems, as well as the diverse needs of our many users.

Integration is not only a watchword for technical collection and operations, but it is imperative that we integrate intelligence collection and analysis more effectively. They are symbiotic disciplines. We can only achieve our goals and objectives by coming unified in our commitment to the intelligence community's contribution to the strongest defense possible for our Nation and our people.

Thank you for the opportunity to share with the Committee my background and, if confirmed, my vision for my new role and responsibilities. I look forward to answering any questions you may have. Thank you, Mr. Chairman.

[The prepared statement of Dr. Kerr follows:]

PREPARED STATEMENT FOR DR. DONALD M. KERR, DIRECTOR, NATIONAL RECONNAISSANCE OFFICE AND PRINCIPAL DEPUTY DIRECTOR OF NATIONAL INTELLIGENCE-DESIGNATE

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

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

As this Committee knows from first-hand experience, I have been both personally and professionally committed to national security throughout my career. I have had direct responsibility for intelligence and defense activities in four different government agencies: the Department of Energy, the Federal Bureau of Investigation, the

Central Intelligence Agency, and the National Reconnaissance Office, and have supported intelligence programs in private industry, and as a staff member and later as director of a national laboratory. I have had opportunities to work on a wide variety of intelligence issues, including nuclear proliferation, arms control monitoring, nuclear test detection, and the development of future air and space reconnaissance systems. I am particularly proud of the programs I have led to bring technical solutions to intelligence and law enforcement challenges. My commitment to countering terrorism began with activities in 1978–79 as a member of the NSC Executive Committee on Terrorism. This commitment was substantially reinforced by direct responsibilities investigating the East African embassy bombings in 1998 and the attack on the USS Cole in 2000, and refocused by 9/11 and the efforts of the past 5 years.

I would like to share my personal vision for the IC, as well as several goals that I believe are critical for more effectively focusing the Community in the challenging, post-9/11 environment. I would also like to share my philosophy about the role of intelligence in our national security construct. A popularly held contention is that the role of intelligence is to protect the Nation from all harm. While this is a succinct way to state the ultimate goal, I think the situation is more complicated than that. One academic described the role of intelligence as extracting certainty from uncertainty and facilitating coherent decisionmaking in an incoherent environment. These are not activities that lend themselves to guarantees or perfect scores as we would like, but they reflect the reality in which we operate. If I were to state what I believe is the essence of national intelligence, I would say that its primary goal is to reduce the risk our Nation faces today and tomorrow. The National Intelligence Estimate, “The Terrorist Threat to the US Homeland,” makes clear that we will face a persistent and evolving terrorist threat over the next several years—a threat that will challenge our current defensive efforts and tools we use to detect and disrupt plots.

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

Every era has its seemingly impossible challenges. The future is fraught with unpredictable elements and trends. The elements that could significantly transform the geopolitical landscape include nuclear proliferation, catastrophic terrorism and even a pandemic disease. The intelligence enterprise must think ahead to ensure that the capabilities needed to deal with these challenging and oft times explosive issues are available to the analyst, policymaker, operations officer, and warfighter when they are needed. This is all the more difficult, because the threat is no longer predictable and confined to specific geographic areas. It is mobile, dispersed, dynamic, and distributed. Intelligence problems are also developing at a much more rapid pace than ever before. We must posture ourselves to adapt and respond quickly, in an integrated fashion, to evolving problems. To that end, I believe there are a number of goals that capture what we need to excel as a Community in order to grow our comparative advantage and reduce the myriad risks to our nation:

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

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

Second, we have a responsibility to provide timely information to Congress to support effective oversight. Congressional oversight plays a key role in ensuring that the Intelligence Community is performing as envisioned. To exercise such oversight

responsibilities, the Committees must understand the intelligence process, its organizations, policies, funding, and activities. The DNI and other members of the Community must communicate on a regular and continuing basis to keep the oversight committees fully and currently informed, consistent with the protection of sources and methods.

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

Effectively inspiring the expertise and experience of our talented intelligence professionals requires strong and focused leadership. If confirmed, I would bring particular emphasis to a number of areas. I would look to focus on effective financial management, including reducing the indirect cost burden wherever possible. This effort speaks to Director McConnell's goal of modernizing business practices and developing verifiable metrics. My experience at the Central Intelligence Agency (CIA) and the National Reconnaissance Office (NRO) is that accountability for funds is effective. Although there are always improvements that can be made, the real challenge is developing the right balance between tighter controls and mission effectiveness and making financial reporting more useful to those who manage our programs. I believe that continuous improvement in financial management should be an Intelligence Community priority.

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

Accountability is critically important in ensuring that officials are responsible for their actions. Within the IC, accountability ultimately rests with the DNI and the PDDNI. However, in a government based upon checks-and-balances and collective decisionmaking, determining individual accountability is often very difficult. It has been my experience that most government employees, regardless of whether they reside in the executive, legislative or judicial branches, are simply trying to do what is right for the taxpayer. However, there are occasionally egregious exceptions, and when they occur, swift and decisive action must be taken. Each and every member of the Intelligence Community is responsible for using the resources entrusted to them judiciously. Additionally, all government employees are expected to ensure their performance is consistent with the highest standards of professionalism and integrity. One of the first items on my agenda, if confirmed, would be to ensure that each member of the IC is fully aware of what is expected and required. I will take decisive action wherever and whenever necessary.

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

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

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

I believe that the importance of a highly trained workforce cannot be overstated, both for the NRO and the IC. I have taken a number of steps in this area while at the NRO. First, I signed a Statement of Intent with the Air Force Chief of Staff, which makes clear that the Air Force and NRO will work together to improve the career development of our shared workforce. The NRO has also teamed with Air Force Space Command to train space professionals across the government at the new National Security Space Institute in Colorado Springs. I am working on similar initiatives with the CIA. Currently, the NRO’s Acquisition Center of Excellence is helping NRO acquisition professionals complete education requirements leading to advanced degrees in Public Management and Engineering Administration. We have also partnered with Virginia Tech to provide the Engineering Administration degree program onsite at the NRO. In addition, the NRO is also establishing a virtual University that will provide an integrated, career-focused program that combines specialized training provided by the NRO directorate- and office-based schools with an NRO-wide curriculum focused on shared context, values, informational needs, and leadership. These initiatives are in addition to an already robust Systems Engineering Professional Development and Certification program that last year certified 151 systems engineers.

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

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

Vice Chairman BOND. Thank you very much, Dr. Kerr. I was going to ask about your goals and I think you’ve laid them out and the difficulty of predicting the future. I was reminded of Yogi Berra’s admonition. He said, “Never make predictions, particularly about the future.” I’ve always thought that was a sound piece of advice.

But there’s only 1½ years left in this Administration. Can you tell us why you took on this job?

Dr. KERR. I thought about it very carefully and had some extensive discussions with Director McConnell, with my wife, and with others whose judgment I respect.

At the end of the day, in all honesty, I could not continue to be on the outside expressing views when the proper thing to do was to try to see if, by joining other seasoned professionals in the leadership, both at the Department of Defense and at the DNI—to see if we could make this thing work.

That includes the responsibility to respond to the comment you made, which is, the legislation in 2004 was put together, the office of the DNI stood up; and now, with 3 years behind us, there's the opportunity to look back and say, what needs to be changed, either in legislation or in an Executive order, that would make it work better?

And I think, between Secretary Gates, Under Secretary Clapper, Director McConnell, General Hayden, and me, we have the potential—for five people who've worked together without friction—to try to make it work and maybe to pass it on to others in a more institutionalized form than it is today.

Vice Chairman BOND. Thank you, sir.

The next thing I had mentioned, I wanted to find out if you had any comments on the FISA modernization or if you've been involved with the DNI's very excellent efforts to bring the case onto the Hill. What advice you can share with us on that?

Dr. KERR. Well, I've not been directly party to the discussions going on between Director McConnell and the Congress. But that said, I share his view that we do need to do something to modernize FISA. I could speak more extensively in closed session with you, but suffice it to say, 30 years ago there were certain assumptions about the future and certain realities of the context when the original legislation was passed.

Those assumptions and realities have changed considerably and, consequently, the legislation needs to be changed to actually deal with the way modern telecommunications systems work and allow the intelligence community to do the things it needs to do to collect foreign intelligence on foreign individuals outside of the United States without a warrant. And, of course, at the same time we should always be in the position of, if the target's within the United States, of seeking a warrant to do that.

Those two things are very important, coupled with the concern for those from which we would get information that they not be at risk for cooperating with the Government in this very important endeavor.

Vice Chairman BOND. Let me deal with a point of friction for this Committee. This Committee came into possession of a point paper prepared by the NRO relating to commercial imagery. The paper appeared to be written in the fashion of talking points in opposition to commercial imagery. When our staff requested to be briefed on this document, the NRO declined. The NRO Office of Congressional Affairs advised that you had personally denied the Committee's staff access to the requested information.

We could find no information in the point paper that would appear to justify refusing to brief Congress on its content. Are you familiar with that action and did you personally deny this request? Or did someone on your Congressional liaison staff misrepresent this?

Dr. KERR. I think it may fall in the latter category. The only paper I know about is one that my former deputy wrote as a personal thing doing a financial analysis based on public sources. It was not an official NRO document.

Vice Chairman BOND. No, this was definitely not—I think we may want to explore later who had the authority to deny a request

for the information from Congress—who would, down the line, have that authority.

Dr. KERR. Well, I think I can help you by telling you what I've said about this subject. Would that be helpful?

Vice Chairman BOND. Sure.

Dr. KERR. I'll give you a quote. I recommended that the Government purchase geospatial products and services from the commercial remote sensing industry, as well as needed imagery "to ensure this information has the highest flexibility and utility for Government users and to encourage new applications of imagery data from the private sector." I signed that in October 2001 in response to tasking from the Secretary of Defense and the then DCI, when I led the remote sensing study panel.

Vice Chairman BOND. Well, we will explore with you later the other paper.

Dr. KERR. I don't know what you're referring to, sir.

Vice Chairman BOND. We will explore that later. Now for the questions, I turn to Senator Warner.

Senator WARNER. Thank you, Mr. Chairman. In listing the five matters that you felt you had a proficiency in, I would like to suggest a sixth, and that is you have a good grasp of how to work with the Congress. I've had that privilege in the years on the Armed Services Committee where you've testified a number of times before that Committee, and now on my second term in the Intelligence Committee.

I'd also like to join the Ranking Member in his commentary with regard to the contribution of General Burgess filling in for this period of time. He's held in very high esteem here in the Congress and we wish him well.

Going back to the definition, as I've said, under the law, that you and Admiral McConnell have as adviser to the President, I hope I'm not being presumptuous in saying the following. I think that the intelligence community has got to work with the executive branch, and most particularly the office of the President, in more clearly defining the enemy that faces not only the United States, but much of the free world today.

We use the term "war on terrorism," and now that seems to be misunderstood in many parts of the world. Great Britain has ceased to use that term; some of our colleagues in the House have ceased. And I must say, that term is not specific. We talk about "radical Muslims" or "radical jihadists," and it's difficult for the general public, which wants to be supportive—and the general public which is deeply concerned after 9/11 about the vulnerability not only here at home, but of our people, hundreds of thousands of them that serve abroad, and most notably those in uniform and members of the intelligence community—the CIA and others, and the embassies. So I would hope that you could provide here this morning, and that you and the Admiral can, in working in briefings, try to more clearly define what that enemy is.

In my judgment, it's clearly a global threat; it's not just isolated cells. There is a measure of some coordination. But first, what is the term that you would describe, generically, who the enemy is? And with respect to the Muslim world, that's a long and venerable and proud culture, and it's relatively a small number of those that

are within that culture that are perpetrating the evil that's unfortunately spreading into places well beyond Iraq and Afghanistan.

Dr. KERR. I think one of the things I need to do, of course, is immediately recognize that I'm not a political and economic analyst steeped in studying some of these threats around the world. That said, given the responsibility that I may take on, I'm going to have to work very much with a very senior analyst, named Director McConnell, who has been spending his time trying to think about this very problem and how to properly frame the question.

I think it's clear at this point that simply using the terms that go with armed conflict—"war" and others—is an insufficient way to think about the problem. I think we're at a juncture where we have to think about the other instruments of American power and how they join with our incredible military prowess to project what we as Americans want the rest of the world to see, and for them to perhaps move away from thinking that the solution to their problems is simply to damage Americans or do worse.

I don't think it's restricted to people of Islamic faith. It's been the history of this country—

Senator WARNER. I didn't suggest that, clearly.

Dr. KERR. Yes.

Senator WARNER. But that seems to be a focal point of much of our attention now in both Iraq and Afghanistan. But what better evidence of that is our own internal bombing of Oklahoma some years ago.

Dr. KERR. Exactly.

I think another thing we have to pay a great deal of attention to—and it's been in some of the estimates that you have seen—is that set of countries where the demographics are such that right now half of the population is male, under the age of 15. And in 10 years, they will be in their early twenties, unemployed, perhaps without hope and consequently fodder, if you will, to lash out at America and America's interests. And so I'm greatly concerned about that and what we might be able to do as a country to influence those places in the world and how they develop before it becomes something that we would characterize as a conflict.

Senator WARNER. Thank you.

Mr. Chairman, I just simply wish to first compliment you on your statement. I thought it was very comprehensive. But back to my question, I would suggest that I'd invite you to further amplify your thoughts in the record because it would be of importance to us to study precisely what those definitions are—particularly why the term "global war on terrorism" is found to be offensive to many people who have the best intentions.

One other caution: In this world in which we live, you've got to deal with the split-second answer in today's rapid media and dissemination of information. So we've got to come up with clear, precise definitions and repeat them constantly to the public so they know more precisely. This country's making an enormous sacrifice of life and limb and in every other way to help not only defend ourselves, but other people across this world who stand in fear of the threats that face us today.

Vice Chairman BOND. Thank you very much, Senator Warner.

You've raised a question that we've debated, both in public and in private hearings, on learning more about the enemy, learning the terminology. And I think I've found a helpful tack, saying that these radicals are not jihadists, which is a holy spiritual journey for a believing Muslim. They are mufsidun committing hirabah and we should not glorify them by calling them jihadists.

With that totally useful piece of information, I now turn to Senator Nelson.

Senator NELSON. Thank you, Dr. Kerr, for your public service.

What would you do as the Deputy Director to get agencies motivated more to invest in research and development?

Dr. KERR. Senator Nelson, thank you for the question. You've struck on a concern that I've had for some time, because I've actually lived in the best of the intelligence community for investing in the future, and I have lived in an agency that, in fact, did it the least.

And I think part of what I might be able to contribute to is a more general community view of what appropriate levels of investment are needed for the future of our community and our country. Clearly, there are agencies that require more investment in technology to carry out their mission than others. So it isn't a case of just picking a number across the board, but it is appropriate to say you've got to be investing today for your problems 3, 5, and 10 years out.

And I think we have not done that well, particularly with the pressures of the last few years to support current operations. I don't want to take resources from current operations, but if there are ways we can find to manage the resources we have better to make room for some future investment, I sorely want to do that.

Senator NELSON. Well, what about the new Intelligence Advanced Research Project Authority—IARPA—which is modeled after DARPA?

Dr. KERR. That, of course, has just stood up. We have yet to see whether it can gain the same sort of stature and visibility in the intelligence community that DARPA has gained with the Department of Defense and the military services.

One of the things noteworthy about DARPA and their major programs today is that every one of them is done in alliance with one of the services or other Defense agencies. IARPA has not existed long enough to build those alliances and connections and, to succeed, it will have to.

Senator NELSON. Does the DNI support IARPA?

Dr. KERR. Yes, he does. He's testified to that effect. And I think my responsibility will be to work with him so that the actual execution meets his expectations.

Senator NELSON. So what would you do to enhance its stature?

Dr. KERR. I think the first thing I would do would be to improve the connections with the agencies and the programs they already have. IARPA has been viewed with suspicion by them, particularly in instances where it appeared that the funds for IARPA were coming out of their normal operating budgets. That's not the way to gain friends. And so somehow there has to be a mechanism that they become partners rather than competitors for the same resources.

Senator NELSON. You have been the head of the National Reconnaissance Office. And there have been some big programs that have been sole-sourced instead of competed. And of course, the U.S. policy is that we compete. Can you explain the apparent anti-competition policy?

Dr. KERR. We're really, in some ways, dealing with a part of the economy that is different from what I'll call the competitive private sector. We're dealing with a protected sector of the economy, which has dealt with companies that have chosen to do the majority of their business with the U.S. Government. In some cases, those companies have had substantial investment over the years in particular capabilities that exist only within those companies. And so unless the United States Government is prepared to make comparable investments in prospective competitors, they really don't get to the point of competing in a credible way.

So what we have to do, as we look ahead, is ask which parts of the NRO program are most amenable to competition. For example, you might argue certain classes of sensors would be, where you might have three or more competitors available, whereas a certain other specialized capability would need to go to the company that had been the beneficiary of the prior Government investment and had the expertise to do a particular kind of work.

Senator NELSON. So you would want to encourage competition where there were several vendors that could do the work.

Dr. KERR. Yes, sir.

Senator NELSON. OK. And I realize that you inherited some huge problems when you came in as the head of NRO. This has been a concern of this Committee's, and it's been a concern of the Armed Service Committee as well.

There were particularly two huge classified programs within the bosom of this Committee that were canceled, and as a result there's been a lot of money that has gone down the drain. These two programs represented significant new acquisitions undertaken by the NRO and they were touted by the NRO as examples of excellence and industry ingenuity, and both of them failed. Who was held accountable for these failures?

Dr. KERR. Well, let me speak to the first of them, because when I came to the NRO, the so-called red team—the technical review team—had just completed its work with respect to one of those programs. I had been aware of their work, and in fact had been briefed on it along the way. And it was in fact after reviewing their recommendations as well as the work of the staff at the NRO that I went to Director Negroponte and recommended termination of that program.

The reason I recommended termination of that program was that I felt there was little to no prospect of that part of the program being successfully completed. We had managed to lay requirements on top of requirements. We had managed to change some direction enough times that we had a system that could not be manufactured by normal human beings.

Director Negroponte took that recommendation. He spent time considering it, but within about 3 weeks he directed me to terminate that part of the program, which I did.

With regard to how do we protect some of the investment made, we have in fact funded the continued reduction of technical risk in some of the specific new technologies that were part of that program. And they're slated for use in future programs, which I can talk to you about in a classified session. We think we have done about as well we can to recover that part of the investment. That said, we couldn't recover a significant amount of it, as you're well aware.

Vice Chairman BOND. Dr. Kerr, we will go into a classified session, and I think Senator Nelson will and I will and others will want to follow up.

Thank you.

Senator NELSON. Well, Mr. Chairman, the question was, in the public session, who was held accountable?

Vice Chairman BOND. I didn't hear anybody.

Dr. KERR. Well, I'll answer that, too.

In fact, the program manager was removed from that program, as well as the direct reports. The senior leadership at the prime contractor was changed. The award fees reflected the unhappiness of the Government with their performance, and they have subsequently been put on the contractor responsibility watch list that the NRO has, which means that they can only bid on new work if we grant them a waiver. And they will not come off that list until they start delivering hardware to us. We're not satisfied with just changes in names and particular jobs and reorganization; we want to see the product that we've contracted for.

Senator NELSON. Mr. Chairman, if I don't make it to the classified session, if you would get the details of that, I would appreciate it.

Vice Chairman BOND. You can be sure we will. Thank you very much, Senator Nelson.

Senator Chambliss.

Senator CHAMBLISS. Thank you very much, Mr. Chairman. And Dr. Kerr, thank you for your service. We appreciate you very much.

And, Mr. Chairman, let me just echo the sentiments of you and Senator Warner relative to General Burgess. Boy, I don't know a member of the IC community that has been more direct, more straightforward and given us better briefings over the years than General Burgess. I'm sure glad to see he's going to stay with ODNI.

Dr. Kerr, we have a mutual friend, Steve Van Cleve, who certainly gives you a very high recommendation and sends his best wishes.

As a Member of the House Intelligence Committee following September 11, we did a significant investigation into the reasons why September 11 happened. And it was pretty obvious to us then, there's been a lot of commentary, a lot written and said about some of the reasons why, but it comes back to one basic reason, and that is there was a total lack of information sharing.

Now, you've been in the IC community both at CIA, at the FBI, and now at the NRO, and obviously you're moving into a much different atmosphere of your intelligence employment history here. What I want you to comment on is what you've seen relative to information sharing, what you think may be done or may have been done to improve that. Where do you think we still need some im-

provement? And in your position as the Deputy Director of the DNI, I want to hear what you think you might be able to accomplish relative to continuing to help the information sharing issue spread.

Dr. KERR. I think this is perhaps one of the issues that's a core issue of the intelligence reform legislation. I think steps have been made to have improved the situation from what it was in 2001 before 9/11. And that said, not enough has been done.

And I can simply give you an anecdote to help explain that. And it goes back to General Burgess, for whom we all have high regard. He wanted to send an e-mail to all of the 16 agencies in the community to people by name and found that that was impossible at the present time. And so one of the key things that we have to work on is we have to provide the infrastructure so that information sharing can be done directly and quickly rather than by working around awkward legacy systems from the past.

But the infrastructure's only part of it; the attitude is the other part of it. Now when I was at the FBI, we, in fact, had senior CIA personnel assigned there in line jobs. They were very effective at doing it. And there were FBI people assigned to the Counterterrorism Center at CIA. But the simple exchange of people isn't enough either because, the way these organizations work, the connections have to be made not just at the top, not just at certain mid-level functions where they decide that swap of people makes sense, but it has to become a way of doing the work. And I would say that the real test of the leadership for the DNI and his deputy is going to be the degree to which we can change some of the attitudes that don't allow us to have that full connectivity at all levels between the agencies to focus on very hard problems.

Senator CHAMBLISS. Well, I think you're exactly right. Those stovepipes that we've talked about so often unfortunately still exist—maybe not to the degree that they did prior to September 11, but certainly there's some still there. And frankly, going back to what Senator Nelson asked you about, I have an appreciation for the fact that you did step into a not-so-good situation at NRO. You made the changes that were necessary. I fully expect you to do the same thing here at ODNI, and I have all great confidence that you will.

So thank you for your willingness to continue to serve your country in this capacity, and we look forward to seeing this confirmation concluded.

Dr. KERR. Thank you, Senator Chambliss.

Vice Chairman BOND. Thank you very much, Senator Chambliss.

Senator Mikulski—OK, she's gone.

Senator Burr is gone.

[The prepared statement of Senator Mikulski follows:]

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

- It's great to welcome Dr. Kerr to this important confirmation hearing. This position, the Deputy Director for National Intelligence, has been vacant for too long, and DNI McConnell is certainly in need of a permanent deputy.

- Dr. Kerr, you've led a distinguished career in the Intelligence Community, serving in a variety of places. This includes at the Department of Energy, Los Alamos National Laboratory, the Federal Bureau of Investigation, the Central Intel-

ligence Agency, and now, serving currently as the Director of the National Reconnaissance Office.

- There are five criteria that I use to evaluate all executive branch nominees. They are (1) Competence, (2) Integrity, (3) Independence, (4) Commitment to the Constitution, and (5) Commitment to the Core Mission of the Department

- First, I believe Dr. Kerr has the experience and background for this important job. You've had success in both the private sector and the Intelligence Community—serving in your current position as Director of the National Reconnaissance Office since 2005. The NRO is an important agency in the Intelligence Community. It has had some successes, as well as a number of problems, too.

- Dr. Kerr has also served as a Deputy in CIA's Science & Technology Directorate. This also highlights his background in science and technology, which I believe is a real plus for a DDNI to have. Our historical technological advantage over our adversaries is eroding and we need much stronger ties between science and technology communities and our intelligence agencies.

- Dr. Kerr, I think that you will agree with me, that we must regain our technological edge in the world in science and technology.

- While I do not know Dr. Kerr personally, we did enjoy a very good, and I thought, frank conversation.

- Dr. Kerr is well-respected both inside and outside the Intelligence Community and I have no reason to doubt his personal integrity. However, as always, the proof of his integrity will be in his actions and deeds, if he is confirmed to serve as DDNI.

- For me, Integrity and Independence are closely tied. We are in need of independent voices at the ODNI, and not cheerleaders for the Administration. We need people at the ODNI who can speak truth to power, no matter who is President. We also need a commitment from the Intelligence Community leadership to provide timely and frequent notifications to the Intelligence Committees.

- As DDNI, Dr. Kerr, you will be forced to make tough choices. This includes decisions to end controversial programs to financing innovative acquisition projects. No matter the task, the ODNI needs independent voices, and not rubber stamps for this administration's policies.

- I've been greatly honored to take the oath of office 9 times. Each time, I raise my right hand and swear to support and defend the Constitution of the United States of America. We all take that oath—no matter if you serve in Congress, the Cabinet, or wear a uniform. That oath, however, is not to an administration, a president, or a party. The oath is sworn to the Constitution.

- The threats facing the country today are real, and evolving. Terrorists across the globe have predatory intent and want to harm the American people. Some programs designed to keep the American people safe do need to remain secret. But, each and every one of these programs must respect the Constitution and what it stands for.

- The current administration only adheres to the law when it chooses to. It doesn't take the commitment to the Constitution seriously. So Dr Kerr, we need a real commitment from you to uphold the Constitution. This commitment includes respecting the role of Congress and the need for effective checks and balances.

- There is no question that Dr. Kerr is committed to the mission of the Intelligence Community. He has served the community in a variety of roles, and is a dedicated public servant.

- As DDNI, Dr. Kerr will need to help strengthen the organization. This includes achieving the integration that the intelligence community needs, and helping to minimize and break-down any remaining "stove pipes" in the intelligence community.

- There will also be occasions where Dr. Kerr will have to serve as the Acting DNI. These are big shoes to fill, and we are all thankful that DNI McConnell has ably handled this responsibility during the past year.

- In conclusion, this committee has many questions for you, and I look forward to your answers. Again, I thank you for the service you've already provided to the United States. I hope we have a candid, frank discussion with you about the future of the DDNI and your thoughts on how you believe the position will develop under your direction and leadership.

Senator Whitehouse.

Senator WHITEHOUSE. Thank you, Chairman.

Dr. Kerr, welcome. I don't want to hide the ball in any respect. I at this point very much anticipate voting for your nomination and supporting you, but there are a few things I'd like to touch base with you on at this point in the public hearing.

The first is that I'm new in my position; you're about to be new in yours. We both have a lot of inherited baggage between our organizations. I hope you will understand that when this Committee seems perhaps from your point of view to be unduly determined, unduly persnickety, unduly inquisitive about matters that the recent history has not been very favorable and that our desire to pursue these things and our sense of suspicion, if you will, has been well-earned. I think it can be earned back, a sense of trust can be earned back, but I urge you to bend over backwards to accommodate our concerns and questions as we do our oversight job, bearing in mind that, to a certain extent, here the past is the future.

In that regard, the two big issues that I see are, first, the issue of intelligence integrity. There have clearly been episodes in which the intelligence community or elements of the intelligence community have produced the intelligence that principals wanted to support the path that had already been chosen rather than what people might call speaking truth to power. In accounting, people often talk about a plug number that fits between—we don't want plug intelligence around here.

In that vein, you have superior scientific credentials. You have superior management credentials. Your analytic credentials are not as strong as your management and scientific credentials, as you alluded to earlier. You are also the Deputy Director, and if the Director is away, you will be the Acting Director. A circumstance could easily emerge in which you are representing the intelligence community with principals in the White House at times of key decisions. What will your process be for making sure that truth is in fact told to power and that the real intelligence is what gets to the decisionmakers, not just what they want to hear?

Dr. KERR. Well, I can tell you first of all that I absolutely support your point that intelligence needs to be provided to policymakers and others who need it without bias, without political consideration, and as well-grounded in fact as possible.

With regard to what I would do, while my technical and management credentials are better than my analytic ones, I did, in fact, serve on the nuclear intelligence panel and chair it for a number of years within the community—in fact, from roughly 1979 until 1992. And I've been a senior reviewer of many of the Estimates over the years.

So I think what I'm really trying to express is that Director McConnell and I are complementary in a way. He is an analyst by training and by profession, and that's his strongest suit. I have some other experiences that are complementary to his, and I think between us we can make a good team.

With regard to how I would deal on the community's behalf in advising the President and others, I've actually had that opportunity in the past on some particular issues. I was even able on at least one occasion to suggest to the President there were laws he could not suspend. These were the laws of physics. But the point is, I think I have a reputation here with the Congress and with the Administration of being straight in what I say and bringing integrity when I come to see you.

Senator WHITEHOUSE. The other piece of the problem is on the performance accountability side. In my area, we had the Big Dig

which was a tunnel project near Boston that was a huge catastrophic disaster and provided immense news opportunities. When something goes wrong like that in the intelligence community, because it is covert, there are not those immense news opportunities. People don't see how badly things have gone off the rails. And indeed both the contractor who has failed or fouled up the program and their Government managers have every incentive to paper it over and have it go away so that nobody notices. But as you know, there are fantastic, spectacular amounts of money at stake here.

Will you be fully supportive of our efforts in oversight in this respect, including the deployment of what we call TAG groups into areas where we are really the only oversight that these programs get?

Dr. KERR. Absolutely. And in fact, in past years I have worked with members of earlier TAG groups. Ofttimes they include people with whom I've had professional experience in the past. I have no problem at all expecting to do that in the future.

Senator WHITEHOUSE. I could not agree more with the concerns expressed by Senator Nelson about particular programs that we should probably discuss more in a classified setting. I want you to know that many weeks ago I asked for an explanation of what consequences had been applied in those circumstances. I gather that, because of our recent conversation in our office, I've received a classified letter for the first time this morning. But the question that I asked weeks ago in an open Committee hearing I've never received a response to.

So you know, once again, I hope that you—in your role—when you walk away from a Committee hearing with questions, somebody's actually tasked to get the answer back because this doesn't seem to be a very difficult question. You were actually able to answer it almost spontaneously when we met, and yet for weeks nobody got back to me on this question. And I think this question of performance accountability for contractors in a covert environment where nobody knows and huge amounts of money are being spent and it's only our oversight that provides any check and balance in the system—it is really important that you get back to us.

Dr. KERR. Right. Well, I was glad that you asked me the question. And I, in fact, am responsible for what you received. I didn't know about the earlier request.

Vice Chairman BOND. Thank you very much, Senator Whitehouse.

Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman.

Dr. Kerr, again, congratulations on your nomination. If you are confirmed you'll be coming to this position at a particularly critical moment.

The country needs the DNI to ask hard questions about the value, legality, and morality of our intelligence programs and to ensure that our intelligence is accurate, candid, and free of any politicization, and that's not an easy task at any time, but particularly in this Administration. But that is what is expected of the DNI and his Deputy. Of course, we also expect you to level with the Congress, a topic that you and I discussed yesterday.

Let me ask you, Doctor, do you agree that intelligence activities that have implications for our foreign policy must be briefed to the full Committee?

Dr. KERR. Just to recall our conversation of yesterday, Senator Feingold, you made clear your membership here as a crossover member from Foreign Relations, and one of the points I tried to make was that oftentimes one of the foreign policy tools available to the United States is the intelligence community through liaison relationships and other things. My answer to that is I think those responsible for the oversight of U.S. foreign policy need to understand both the front channel and the back channel—what's going in both of them, what's capable of being done—in order to provide proper oversight of our foreign policy execution.

Senator FEINGOLD. And in this context you're referring obviously to the full Committee?

Dr. KERR. Correct.

Senator FEINGOLD. And so this would be particularly relevant to covert action, wouldn't it?

Dr. KERR. I think it would be applicable to covert action. I think generally the full Committee needs to know about covert action programs, and the only caveat I would add there is that which is present in the law and really refers to those special cases where lives are at risk or other very delicate things are hanging in the balance and where it might be left to the so-called Gang of Eight.

Senator FEINGOLD. And in fact, the only provision in the National Security Act that allows for the so-called limited Gang of Eight notifications applies to covert action, and, as you've indicated, that can never be license to limit information that has implications for our foreign policy. So if confirmed will you review covert actions or any other intelligence activities that may have been limited to the Gang of Eight to ensure that the provision is not being abused?

Dr. KERR. I will.

Senator FEINGOLD. Doctor, do you believe that the laws that apply to elements of the intelligence community are binding and cannot be overridden by assertions of Article II authority?

Dr. KERR. Article II, as I understand it, refers to the role of the President as Commander-in-Chief and the responsibilities he has for the military services and the Defense Department as a consequence. Some of the intelligence agencies are not, in fact, part of the Defense Department and so they would not fall within the ambit of the Commander-in-Chief designation. They would, in fact, be agencies of the Federal Government and subject to the laws and regulations that apply.

Senator FEINGOLD. But in any event do you believe that the laws that apply to the elements of the intelligence community cannot be overridden by assertions of Article II authority?

Dr. KERR. I'm not a constitutional scholar, as I'm sure you recognize, but I don't know of any exceptions to the law that, in fact, any military or civilian employee of the Government is entitled to.

Senator FEINGOLD. So can you think of any laws that apply to the intelligence community that you believe intrude on the President's authorities?

Dr. KERR. No, I don't.

Senator FEINGOLD. No?

Dr. KERR. I don't know of any.

Senator FEINGOLD. Doctor, as Deputy DNI you'll be conducting oversight of an intelligence community whose activities under this Administration have been justified sometimes by what I consider to be and others consider to be outlandish legal theories on issues such as electronic surveillance and interrogation. Even worse, Philip Zelikow, who was counsel to the State Department until last year, has written that those dubious legal theories have substituted for moral and policy deliberations. In other words, what some lawyer says the Administration can do precludes consideration of what it should do.

In my view, the DNI, through its oversight role, can help reverse this disastrous practice by insisting that our intelligence activities are truly in America's interest. One such issue is the DNI's oversight of the implementation of the President's new Executive order on interrogations. I have opposed the Administration's policies in this area on legal grounds, but also because they have damaged our long-term efforts to mobilize our friends and isolate our enemies in the fight against al-Qa'ida. Doctor, as Deputy DNI, how will you ensure that these strategic issues are given appropriate weight?

Dr. KERR. I think the fundamental commitment that DNI McConnell and I would both bring to this is that we do understand the responsibilities we have under the Constitution, under the law, and, in fact, the need to secure the liberties for our people. I would, in fact, try to be very diligent in understanding not only the specific legal argument advanced for a course of action, but try to understand it in a broader context of what the likely effect would be of that course of action.

Senator FEINGOLD. I think that's terribly important and is exactly what you should be doing because, again, simply because something can be done by the executive branch, even if that's right, does not mean it's in the best interests of this country. Thank you, Mr. Chairman.

Vice Chairman BOND. Thank you very much, Senator Feingold and Senator Whitehouse. We appreciate very much your staying with us.

There are a number of things going on that I believe I and other Members have to attend, so I'm going to propose that the classified questions be submitted in classified form to the witness and ask that he respond to them in a classified manner, and I'd also say you've seen we have some healthy disagreements on policy on this Committee and I would also say that I used to be a lawyer and I don't read the President's Article II powers as confined to the Defense Department, if that was the gist of it. So fortunately, neither one of us is called on to be counsel to advise either the President or this Committee, so we will leave those subjects to perhaps people with more active and current knowledge of the law. With that, I thank the witness and the Members and declare this hearing adjourned. Thank you very much, Doctor.

Dr. KERR. Thank you, Mr. Chairman.

[Whereupon, at 3:50 p.m., the Committee adjourned.]

SUPPLEMENTAL MATERIAL

**SELECT COMMITTEE ON
INTELLIGENCE**

UNITED STATES SENATE



**QUESTIONNAIRE FOR COMPLETION BY
PRESIDENTIAL NOMINEES**

SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES SENATE

**QUESTIONNAIRE FOR COMPLETION BY
PRESIDENTIAL NOMINEES**

PART A - BIOGRAPHICAL INFORMATION

1. NAME: Donald MacLean Kerr
2. DATE AND PLACE OF BIRTH: 8 April 1939; Philadelphia, PA
3. MARITAL STATUS: Married
4. SPOUSE'S NAME: Alison Kyle Kerr
5. SPOUSE'S MAIDEN NAME IF APPLICABLE: Alison Richards Kyle
6. NAMES AND AGES OF CHILDREN:

NAME

AGE

7. EDUCATION SINCE HIGH SCHOOL:

<u>INSTITUTION</u>	<u>DATES ATTENDED</u>	<u>DEGREE RECEIVED</u>	<u>DATE OF DEGREE</u>
CORNELL UNIVERSITY	9/1957	BEE	1/30/1963
	thru	MS	6/15/1964
	6/1966	Ph.D	6/13/1966

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/LOCATION</u>	<u>POSITION/TITLE</u>	<u>DATES</u>
National Reconnaissance Office 14675 Lee Rd, Chantilly, VA 20151	Director	7/05 – Present
Central Intelligence Agency Washington, DC 20505	Deputy Director for Science & Technology	8/01 – 7/05
Federal Bureau of Investigation 935 Pennsylvania Ave, NW Washington, DC 20535	Assistant Director in Charge Laboratory Division	10/97 – 8/01
Information Systems Laboratories, Inc. 10070 Barnes Canyon Road San Diego, CA 92121	Executive Vice President Director	3/96 – 9/97 3/96 – 9/97
Science Applications International Corp. 10260 Campus Point Drive San Diego, CA 92121	Corporate Executive Vice President Director	1/93 – 3/96 4/93 – 3/96
EG&G, Inc. 45 William Street Wellesley, MA 02181	President and Director Executive Vice President Senior Vice President	4/89 – 9/92 4/88 – 4/89 10/85 – 4/88
Los Alamos National Laboratory Post Office Box 1663 Los Alamos, NM 87545	Director	7/79 – 9/85
U.S. Department of Energy Washington, DC 20585	Acting Assistant Secretary, Energy Technology Deputy Assistant Secretary, Energy Technology Acting Assistant Secretary, Defense Programs Deputy Assistant Secretary, Defense Programs Nevada Operations Office, Deputy Manager	6/79 – 7/79 1/79 – 7/79 1/78 – 8/78 12/77 – 1/79 8/76 – 12/77
Los Alamos National Laboratory Los Alamos, NM 87545	Alternate Energy Division Leader Assistant for Research, Director's Office Assistant Test Division Leader Group Leader, High Altitude Phenomenology Staff Member, High Altitude Phenomenology Group	7/75 – 8/76 9/73 – 6/75 10/72 – 9/73 1/71 – 10/72 7/66 – 1/71

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

See Government Experience in Question 8 above.

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

<u>SPECIALIZED EXPERTISE</u>	<u>WHERE ACQUIRED</u>
3) nuclear weapons research, development, testing manufacturing, and stockpile maintenance	LANL, DOE/DP, EG&G
2) nuclear intelligence collection and analysis	CIA, LANL, DOE/DP, EG&G
5) nuclear safeguards and security	DOE/DP, LANL
4) arms control and treaty monitoring	DOE/DP, CIA, LANL
6) foreign material exploitation	
7) technical operations	FBI, CIA
1) air and space reconnaissance systems	NRO, CIA, LANL, DOE/DP, EG&G

LANL = Los Alamos National Laboratory
 DOE/DP = Department of Energy/Defense Programs
 EG&G = EG&G, Inc.

11. HONORS AND AWARDS (PROVIDE INFORMATION ON SCHOLARSHIPS, FELLOWSHIPS, HONORARY DEGREES, MILITARY DECORATIONS, CIVILIAN SERVICE CITATIONS, OR ANY OTHER SPECIAL RECOGNITION FOR OUTSTANDING PERFORMANCE OR ACHIEVEMENT):

William Penn Charter School: Alumni Society Senior Award, May 1957
Alumni Award of Merit, May 2007

James Clerk Maxwell Fellowship, 1965-1966

Ford Foundation Fellowship, 1964-1965

National Merit Scholarship, 1958-1962

DOE Certificate of Appreciation, December 1977

DOE Outstanding Service Award, July 1979

Navigator Award, Potomac Institute for Policy Studies, July 2004

Director's Award, Director of Central Intelligence, July 2004

CIA Distinguished Intelligence Medal, September 2005

Who's Who in America

American Men and Women in Science

Eta Kappa Nu

Tau Beta Pi

Sigma Xi

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

<u>ORGANIZATION</u>	<u>OFFICE HELD</u>	<u>DATES</u>
American Association for the Advancement of Science	Fellow	Current
American Physical Society	Fellow	Current
American Geophysical Union	Member	Current
Cosmos Club of Washington	Member	Current
Southwestern Association on Indian Affairs	Life Member	Current
Los Alamos National Laboratory	Consultant	10/85 – 9/97
Lawrence Livermore National Laboratory	Consultant	11/92 – 9/97
Sandia National Laboratories (NSAB)	Consultant	1/97 – 10/97
Defense Science Board	Member	1993 – 1997
Charles Stark Draper Laboratory	Member of Corporation	1982 - 1997
DCI Nuclear Intelligence Panel	Chair	1993 – 1997
	Member	1979 – 2001
Threat Reduction Advisory Cmte (DoD)	Member	1998 – 2001
KTAADN, Inc., Newton, MA	Director	1992 - 1997
Resources for the Future, Wash., DC	Director	1990 – 1999
Resource Alternatives, Inc., Wash., DC	Director	10/92 – 10/97
Ventana Group, Irvine, CA	Advisory Board	4/96 – 10/97
American Society of Crime Laboratory Directors	Director	1997 – 2001
International Association of Chiefs of Police	Member	1997 – 2001
San Diego Technology Council	Director	1994-1997
Atlantic Council	Director	1990-1997
Cornell University	Member	1984 – 1997
Engineering College Council		

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

1. L. Eastman, J. Clark, H. Marantz, and D. Kerr, "High-Power Beam-Plasma Amplifier," presented at PTGED (IEEE) Electron Devices Meeting, October 31-November 1, 1963, Washington, D.C.
2. D. M. Kerr, "Plasma Diagnostics" in RADC-TDR-63-465, Cornell University, December 1963.
3. D. M. Kerr, "Investigation of a Hydrogen Plasma for Use in a Microwave Amplifier," RADC-TR-64-563, Cornell University, April 1965.
4. L. Eastman, D. M. Kerr and S. Y. Narayan, "Study of the Microwave Interaction of a High-Power Electron Beam and Plasma," 5th International Congress on Microwave Tubes, September 14-18, 1964, Paris, France (published in Tubes pour Hyperfréquences, Dunod, Paris, 1965).
5. D. M. Kerr, "Electron Properties of the Penning Discharge Plasma," RADC-TR-66-369, Cornell University, August 1966.
6. D. M. Kerr, "Helical Instability in a Penning Discharge," Phys. Fluids 9 2531 (1966).
7. D. M. Kerr, H. W. Hoerlin, H. M. Peek, and S. M. Stone, "Airborne Optical Measurements of SECEDE I," Report RADC-TR-68-520, November 1968.
8. H. W. Hoerlin, D. M. Kerr, and H. M. Peek, "AEC Test Group Participation in Secede III," Report RADC-TR-69-239, May 1969.
9. I. Henins, D. M. Kerr, et. al., "Explosive Generator Driven Coaxial Plasma Gun," Bull. Am. Phys. Soc. 14, 1061 (1969).
10. D. M. Kerr, S. R. Goldman, C. M. Fowler, J. Marshall, and J. C. Ingraham, "High Altitude Plasma Injection Experiment," DASA High Altitude Nuclear Effects Symposium, 2-5 December 1969, and Los Alamos Scientific Laboratory Report LA-DC-11119.

11. H. G. Horak, D. M. Kerr and M. S. Tierney, "Resonance Radiation in Artificial Strontium and Barium Clouds," Los Alamos Scientific Laboratory Report LA-4313, December 1969.
12. R. Caird, D. M. Kerr, et. al., "Payload Development for a High Altitude Plasma Injection Experiment," in Status Report of the LASL Controlled Thermonuclear Research Program, LA-4351-MS, February 1970.
13. R. Caird, D. M. Kerr, et. al., "Payload Development for a High Altitude Plasma Injection Experiment," Los Alamos Scientific Laboratory Report LA-4302-MS, February 1970.
14. D. M. Kerr and M. S. Tierney, "Intensity Gradients in Optically Thick Clouds," RADC-TR-70-216, Vol. IV, Project SECEDE 1970 Summer Study Proceedings, September 1970.
15. D. M. Kerr, H. G. Horak, and M. S. Tierney, "Resonance Radiation in Artificial Strontium and Barium Clouds," RADC-TR-70-216, Vol. II, Project SECEDE 1970 Summer Study Proceedings, September 1970.
16. J. S. Beardall, R. A. Jeffries, and D. M. Kerr, "Airborne Photography of the SECEDE II Barium Releases," Los Alamos Scientific Laboratory Report LA-DC-12528, March 1971, and RADC-TR-71-72, May 1971.
17. D. M. Kerr and H. E. Hansen, "Operation Barbizon," Los Alamos Scientific Laboratory Report LA-4741-MS, August 1971.
18. J. R. Breedlove and D. M. Kerr, "Evaluation of LASL Aircraft Photographic Support for SECEDE II," RADC-TR-71-200, Vol. IV, Proceedings of 1971 Technical Planning Session, September 1971.
19. E. P. Marram, J. H. M. Fu, and D. M. Kerr, "Summary of Recent Barium Release Experiments," published in Vol. 7 of Proceedings of the DNA High Altitude Nuclear Effects Symposium (DNA 2847 P-7, December 1971).
20. H. G. Horak, D. M. Kerr, and M. S. Tierney, "Resonance Radiation in Artificial Strontium Clouds," Planet. Space Sci, 20, 165 (1972).
21. E. M. Wescott, D. M. Kerr, et. al., "Two Successful Field Line Tracing Experiments with Shaped-Charge Injected Barium Plasma," Trans. AGU 53, 269 (1972).
22. T. N. Davis, D. M. Kerr, et. al., "Observations of the Development of Striations in Large Barium Ion Clouds," Planet Space Sci. 22, 67 (1974)
23. W. S. Bennett, D. M. Kerr, and C.D. Kolstad, "WESCO Coal Gasification Plans: Navajo Considerations," Los Alamos Scientific Laboratory Report LA-6247-MS, February 1976.

24. D. L. Peck, D. M. Kerr, et. al., "Recommendations of the Panel on Continental Drilling of the FCCSET Ad Hoc Committee on Solid Earth Sciences," February 1977.
25. D. M. Kerr, "Technology and National Security Policy," Proceedings of the 141st Annual Meeting of the Philosophical Society of Texas, December 8-9, 1978, Houston, Texas.
26. D. M. Kerr and R. H. Kupperman, "SALT II: Another Point of View," *Washington Quarterly* 2, No. 4, 149 (1979).
27. D. M. Kerr, S. A. Maarenen, and R. E. Pendley, "Strategic Trends and Critical Choices," Los Alamos National Laboratory Report LA-8692-MS, January 1981.
28. G. E. Barasch, D. M. Kerr, et. al., "Ballistic Missile Defense," Los Alamos National Laboratory Report LA-8632, January 1981.
29. D. M. Kerr, R. H. Kupperman, "ABM as an Answer to MX Muddle," *The Washington Star*, February 22, 1981.
30. D. M. Kerr, "National Security and a National Laboratory," *Vital Speeches* 47, 766 (1981).
31. R. H. Kupperman, D. M. Kerr, et. al., "Terrorism and the Congress: A Report to the Sergeant-At-Arms of the United States Senate," Center for Strategic and International Studies, April 1981.
32. D. M. Kerr and G. E. Barasch, "BMD Technology," *Washington Quarterly* 4, No. 4, 57 (1981).
33. D. M. Kerr, "Sub-Strategic Nuclear Forces," UCLA Center for International and Strategic Affairs, Research Note 12, February 1982.
34. D. M. Kerr and R. H. Kupperman, "Nuclear Force Architecture for the 1980s," *Washington Quarterly* 5, No. 1, 119 (1982).
35. D. M. Kerr, "Preventing War: The Concept of Deterrence," *Vital Speeches* 48, 525 (1982).
36. D. M. Kerr, "Energy R&D Policy and Our Energy Future," Sixth International Scientific Forum on Reassessing the World's Energy Prospects, October 25-29, 1982, Paris, France.
37. D. M. Kerr, forward to Energy Research, Development and Demonstration: Activities of the IEA 1981/82, (International Energy Agency, Paris, 1982).

38. D. M. Kerr, forward to Energy Research, Development and Demonstration in IEA Countries: 1981 Review of National Programmes, (International Energy Agency, Paris 1982).
39. D. M. Kerr, "Nuclear Weapon Test Bans," pp. 78-85 in Arms Control in Transition, edited by W. Heckrotte and G. C. Smith (Westview Press, Boulder, CO, 1983).
40. D. M. Kerr and S. A. Maaranen, "The Nuclear Defense of Europe," Washington Quarterly 6, No. 4, 93 (1983).
41. D. M. Kerr, "The Threat of the Neo-Luddites," pp. 68-76 in Arms Control and International Security, edited by R. Kolkowicz and N. Joeck (Westview Press, Boulder, CO, 1984).
42. D. M. Kerr, review of Edward J. Markey, Nuclear Peril (Ballinger, Cambridge, Mass., 1983), Naval War College Review, 37 pp. 105-107, May-June 1984.
43. D. M. Kerr, "Implications of anti-Satellite Weapons for ABM Issues," pp. 107-125 in Space Weapons-The Arms Control Dilemma, edited by B. Jasani (Stockholm International Peace Research Institute, Taylor & Francis Ltd., London, 1984).
44. D. M. Kerr, et. al., eds, Science, Computers and the Information Onslaught (Academic Press, New York, 1984).
45. D. M. Kerr and E. H. Willis, "R&D for Post Crisis Energy Security," Energy Exploration and Exploitation 3, No. 2, pp. 127-137 (1985).
46. R. J. Einhorn, P. J. Garrity, D. M. Kerr, et. al, "Reducing the Risk of Nuclear War," Center for Strategic and International Studies, Georgetown University, Washington, D.C., March 1985.
47. D. M. Kerr, "A Future Unlike the Past," pp. 211-221 in Atoms for Peace: An Analysis After Thirty Years, edited by J. F. Pilat, R. E. Pendley, and C. K. Ebinger (Westview Press, Boulder, CO, 1985).
48. D. M. Kerr, "Coping with Terrorism," Terrorism 8 (1985).
49. D. M. Kerr, "Balancing Technology Transfer Risks," Conference Proceedings on the National Security Implications of Technology Transfer, Boston, MA, November 6-8, 1985.

50. D. M. Kerr, "National Laboratories and Interdisciplinary Science." pp. 245-254 in Frontiers in Creative and Innovative Management, edited by R. L. Kuhn (Ballinger, Cambridge, MA, 1986).
51. D. M. Kerr and Norman Polmar, "Nuclear Torpedoes: Technical and Tactical Issues," United States Naval Institute Proceedings 112, pp. 62-68, August 1986.
52. D. M. Kerr, "Space Weapon Verification," pp. 209-225 in Space Weapons and International Security, edited by B. Jasani (Stockholm International Peace Research Institute, Oxford University Press, 1987).
53. J. A. Angelo and D. M. Kerr, "The Payload Hotel-An Innovative Approach to Aerospace Education," IAF-87-519, 38th Congress of the International Astronautical Federation, Brighton, United Kingdom, October 10-17, 1987.
54. D. M. Kerr, "The Scientific Community and Defense Research," pp. 251-257 in Science and Security: The Future of Arms Control, edited by W. T. Wander and K. N. Luongo (AAAS, Washington, 1987).
55. N. Metropolis, D. M. Kerr and G. C. Rota, New Directions in Physics (Academic Press, Boston, MA 1987).
56. D. M. Kerr, "Fighting Crime in the Information Age: The National DNA Index System," pp.29-33 in U. S. National Security Threats (New York Academy of Sciences, October 1999)

PART B - QUALIFICATIONS

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

I believe my technical education in engineering and applied physics combined with my work experience in both government and industry will make me a good addition to the DNI's team. I have had direct responsibility for intelligence activities in four government agencies: Department of Energy, Federal Bureau of Investigation, Central Intelligence Agency, and the National Reconnaissance Office. Additionally, I served on and chaired for a time the DCI's Nuclear Intelligence Panel from 1979 until 2001. I have been personally responsible for and have participated in a number of multi-agency intelligence operations which prepares me to do even more to ensure integration and collaboration across the Intelligence Community. (See answer to Question 10 above.)

PART C - POLITICAL AND FOREIGN AFFILIATIONS

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

None.

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

None.

17. FOREIGN AFFILIATIONS

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

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

No.

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

No.

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

No.

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

No.

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

None.

PART D - FINANCIAL DISCLOSURE AND CONFLICT OF INTEREST

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

None.

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

I have been a career government employee since 10/1997 and will remain such until confirmed.

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

None.

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

No.

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

Most likely will return to and retire from CIA.

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

No.

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

No.

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

<u>NAME OF ENTITY</u>	<u>POSITION</u>	<u>DATES HELD</u>	<u>SELF OR SPOUSE</u>
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None.

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

None.

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

<u>DESCRIPTION OF PROPERTY</u>	<u>VALUE</u>	<u>METHOD OF VALUATION</u>
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(Current SF 278 Schedule A Attached.)

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

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

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

No to all.

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

	2002	2003	2004	2005	2006
SALARIES	154782	148102	156215	162842	173945
FEES	--	--	--	--	--
ROYALTIES	--	--	--	--	--
DIVIDENDS	15585	22106	27411	33747	42404
INTEREST	18655	11874	7575	4586	5661
GIFTS	--	--	--	--	--
RENTS	--	--	--	--	--
OTHER*	23204	23761	37696	70989	97937
TOTAL	212226	205843	228897	272164	319947

* The amount of income under the "OTHER" category increased beginning in 2004 due to my receipt of a second pension, my wife's receipt of social security, and capital gains. More specifically, I retired in September 2004 and received a second pension through the end of the year. I received the full second pension in 2005 and 2006. In addition, my wife began drawing social security in 2006, coupled with capital gains, causing a further increase under the "OTHER" category that year.

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

Yes.

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

McLean, Virginia

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

No.

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

N/A

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

No.

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

(SF 278s attached for 2004, 2005, and 2006.)

PART E - ETHICAL MATTERS

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

There were no complaints made about me at the CIA or DoE. There were three instances at the FBI, where complaints of discrimination/non-selection were filed when I served as a member of the Senior SES Board or as the supervisor of a selecting official. No actions or findings resulted from these cases. I was named in a hostile work environment case at the NRO as the supervisor of the complainant's supervisor. The case settled with no action relevant to me.

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

No.

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

No.

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

During my tenure as Director of the Los Alamos National Laboratory (1979-1985)

a number of civil suits were filed against the U.S. Department of Energy and the University of California in which the UC President and I were named as individuals. In no case was I found liable, and in the majority of cases I was dismissed as an individual defendant. The records of these cases are on file in the Office of General Counsel, Los Alamos National Laboratory.

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

As the FBI Assistant Director in charge of the Laboratory Division I was deposed in a criminal case in Philadelphia relative to the reliability of fingerprint evidence. I believe this was in 2000 and the FBI and/or DOJ should have records of it.

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

No.

PART F - SECURITY INFORMATION

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

No.

45. **HAVE YOU BEEN REQUIRED TO TAKE A POLYGRAPH EXAMINATION FOR**

**ANY SECURITY CLEARANCE OR ACCESS TO CLASSIFIED INFORMATION?
IF YES, PLEASE EXPLAIN.**

Yes. Polygraph Examinations were done in connection with my jobs at SAIC, the FBI, and CIA.

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

No.

PART G - ADDITIONAL INFORMATION

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

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

Congressional oversight takes many forms: passing legislation, providing funds, and obtaining information relevant to its role in our constitutional system. Congressional oversight plays a key role in ensuring that the Intelligence Community is performing as envisioned in the National Security Act of 1947, as amended. To exercise the responsibilities as envisioned by the Constitution and other laws, the Committees must understand the intelligence process, its organizations, policies, funding, and activities. The power to critique or impact policy, address issues or govern activity is executed in the annual intelligence authorization bill and other bills that are signed into law. In addition, the Committees conduct continuing oversight through their periodic hearings and briefings with appropriate members of the Executive Branch on policies, plans, activities,

outcomes, results, lessons, or other matters of interest and importance to the Congress.

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

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

General: The DNI serves as the principal intelligence advisor to the President, the National Security and Homeland Security Councils, the Cabinet, and the Congress. In addition, the DNI must lead, manage, and transform the Intelligence Community (IC) to effectively meet the threats of today and tomorrow, to include providing appropriate intelligence to support the needs of the Department of Defense and the US Military, the State Department, law enforcement, homeland security, and other security related communities led by the Departments of Treasury, Commerce, and Energy. In addition to managing the IC budget for current operations and future investments and building an integrated, collaborative IC, the primary tasks for the DNI include effectively integrating foreign, military, and domestic intelligence in defense of the homeland and of U.S. interests abroad. The integration of foreign and domestic intelligence is a new focus that grew out of the 9-11 tragedy and the resulting legislation and policies to combat terrorism.

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

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

Pursuant to DNI guidance and oversight, the IC must:

- Collect, analyze, and disseminate accurate, timely, and objective intelligence, independent of political considerations, to the President and those who make and implement U.S. national security policy, fight wars and protect the nation.
- Execute the NIP and special activities as directed by the President and overseen by the appropriate committees of Congress.
- Transform our capabilities to stay ahead of evolving threats to the United States, taking risks while recognizing the impossibility of eliminating them.
- Deploy effective counterintelligence measures that enhance and protect our activities to ensure the integrity of the intelligence system, our technology, our armed forces, and our government's decision processes.
- Perform the DNI and IC duties under law in a manner that respects the civil liberties and privacy of all Americans.

AFFIRMATION

I, Donald M. Kerr, DO SWEAR THAT THE ANSWERS I HAVE PROVIDED TO THIS QUESTIONNAIRE ARE ACCURATE AND COMPLETE.

16 July 2007 Donald M. Kerr
(Date) (Name)

Kari Hartzell
(Notary)


reg # 7028265

Embossed Hereon is My
Commonwealth of Virginia Notary Public Seal
My Commission Expires June 30, 2010
KARI HARTZELL

TO THE CHAIRMAN, SELECT COMMITTEE ON INTELLIGENCE:

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

Signature: Donald M. Kern

Date: 16 July 2007

SSCI# 2007 3046

SELECT COMMITTEE ON
INTELLIGENCE

UNITED STATES SENATE

**Pre-Hearing Questions
for
Dr. Donald M. Kerr
upon his nomination
to be
Principal Deputy Director of National Intelligence**

Responsibilities of the Principal Deputy Director of National Intelligence

QUESTION 1:

The National Security Intelligence Reform Act of 2004 created the Principal Deputy Director of National Intelligence (PDDNI) to assist the Director of National Intelligence (DNI) in carrying out his duties and responsibilities.

- a. What is your understanding of the specific responsibilities of the PDDNI?
- b. What responsibilities were assigned to your predecessor in this position?
- c. Have you discussed with Director McConnell what your role within the Office of the Director of National Intelligence (ODNI) will be if you are confirmed as the PDDNI?
 - (i) What is your understanding of the responsibilities that Director McConnell will ask you to perform, if confirmed?
- d. How would you assess the role of this position within the Intelligence Community (IC)?

ANSWER:

The Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), contains a broad statement of the duties and responsibilities of the Principal Deputy Director of National Intelligence:

To assist the Director in carrying out the duties and responsibilities of the Director; and,

To act for, and exercise the powers of, the Director of National Intelligence during the absence or disability of the Director or during a vacancy in the position of the Director of National Intelligence.

In Intelligence Community Directive 1, the DNI delegated all authorities vested in the DNI, except as otherwise prohibited by law, to the PDDNI. Based on the IRTPA and ICD-1, the PDDNI has, with few exceptions, the same duties and responsibilities as the DNI.

I have also spoken with General Hayden about the responsibilities he was assigned while he was the PDDNI and I observed first-hand the role he filled and I expect to fill a very similar role if confirmed as the PDDNI. While the DNI may have changed, the responsibilities of the PDDNI have not.

I have had discussions with Director McConnell about the role I would play as the PDDNI. In addition to the statutory need to have broad oversight of and involvement in national intelligence activities in order to act as DNI when necessary, there are a number of specific areas where I would focus my attention, if confirmed:

- 1) Integrating intelligence collection and analysis
- 2) Ensuring a proper balance of the protection of privacy and civil liberties with the security of the nation
- 3) Improving processes for integrating technical collection, from tasking through dissemination of information to users
- 4) Strengthening acquisition activities across the Intelligence Community (IC)
- 5) Reducing indirect cost burden wherever possible

I see the role of the PDDNI as analogous to that of the chief operating officer of a public company. Clearly the DNI is chief executive officer for the IC in addition to his role as chief intelligence adviser to the President and other senior leaders. The PDDNI should be focused on coordinating and integrating the day-to-day efforts of the 16 elements that comprise the IC.

QUESTION 2:

- a. Explain your understanding of the obligations of the DNI under Sections 502 and 503 of the National Security Act of 1947, including the responsibility to ensure that all departments, agencies, and other entities of the United States Government involved in intelligence activities comply with the reporting requirements in those sections.
- b. What lessons have you learned from your experience as the Director of the National Reconnaissance Office (NRO), and previous positions in the Intelligence Community, concerning the implementation of Sections 502 and 503?
- c. Do you believe that the National Security Act requires notification to all members of the Congressional Intelligence Committees?
- d. Under what circumstances, if any, do you believe notification should be limited to the Chairman and Vice Chairman of the Congressional Intelligence Committees?
- e. If confirmed as the PDDNI, will you abide by the provisions of Sections 502 and 503, particularly when acting in place of the DNI?

ANSWER:

I understand the significance of Section 502 and Section 503 that require that the DNI keep the congressional intelligence committees fully and currently informed of all intelligence activities and covert action which are the responsibility of, or engaged in by, all elements of the Intelligence Community, consistent with the protection of sources and methods. This reporting should include any significant anticipated intelligence

activity as well as any significant intelligence failures.

During my time at the NRO, we have tried to keep our Congressional notifications timely and robust. By and large, I think we have succeeded and have enjoyed an atmosphere of mutual respect and trust with the NRO's oversight committees. We continue to send monthly updates to the committees, covering a range of topics from vehicle health, to operational success stories, to reorganization matters. My experience at NRO regarding the importance of keeping the committees fully and currently informed is consistent with my experiences elsewhere in the Intelligence Community.

It is my belief, based on my experience in the Federal Government, that Congressional oversight is a critical element of our constitutional system of checks and balances. This oversight relationship is especially important for the Intelligence Community since most of its activities, by their very nature, must remain outside the public eye. Therefore, if confirmed as PDDNI, I will take my responsibility to keep Congress fully and currently informed very seriously and will work vigorously with all Intelligence Community elements to ensure that this direction is implemented. One of the very important lessons learned over the past several decades is that congressional notification, pursuant to Sections 502 and 503, must be timely and robust to enable the Congress to perform its legislative functions. Based on my experience in the Intelligence Community, I believe it is important to ensure that appropriate notifications, as envisioned in Sections 502 and 503, are provided to the Congress in a timely and complete manner, and if confirmed as the PDDNI, I will abide by the provisions of Sections 502 and 503.

Based on the need to protect sensitive sources and methods, as reflected in both Sections 502 and 503, it is my understanding that

there has developed a long tradition of Executive and Legislative branch comity and accommodation, allowing a more limited notification of extremely sensitive intelligence or counterintelligence activities. If such a rare instance occurs, I believe that it is critical that these limited notifications remain meaningful and of such a nature as to enable the Chairman and Vice Chairman to conduct the appropriate level of oversight over these very sensitive activities.

QUESTION 3:

- a. Explain your understanding of the importance of congressional oversight of the IC.
- b. If confirmed as the PDDNI, will you support the free flow of information needed for proper congressional oversight?

ANSWER:

The principle of checks-and-balances is a fundamental tenet of our form of government and, I believe, one of the strengths that has contributed to our success over the past 220 years. Congressional oversight provides the American people the assurance that the Intelligence Community is doing everything it can and should do within the bounds of the law and the Constitution to keep the nation safe, while respecting the rights and civil liberties of all Americans. Although there is inevitably friction in this checks-and-balances approach, I believe we are stronger because of it.

It is imperative that the ODNI provide timely information to Congress to support effective oversight. It is not only required by statute, it is the right thing to do. For my own part, I believe healthy oversight is essential, and that we must ensure our oversight and staff interactions are collaborative, efficient and properly balanced to support timely decisions on critical issues. If confirmed as the PDDNI, I will support the effective congressional oversight.

QUESTION 4:

The Intelligence Reform Act (Section 102A of the National Security Act) provides that the DNI shall ensure compliance with the Constitution and laws of the United States by the CIA and shall ensure such compliance by other elements of the IC through the host executive departments that manage the programs and activities that are part of the National Intelligence Program.

- a. What are the principal matters to which this obligation relates and what are your views about them?

- b. What do you understand to be the obligation of the DNI, and in his absence the PDDNI, to keep the Congressional Intelligence Committees fully and currently informed about matters relating to compliance with the Constitution and laws?

ANSWER:

One of the critical responsibilities of the DNI and the PDDNI is to ensure that the IC complies with the Constitution and other laws of the United States.

The IC has a solemn duty to gather critical intelligence to protect America, but to do so in a way that complies with the constitutional and other legal requirements that protect the freedoms and liberties of the American people. There must be proper training and oversight mechanisms for the IC to ensure that there are clear legal rules for IC personnel operating in this critical area. Given the non-public nature of much of the IC's work, the DNI must also ensure that Congress is kept appropriately informed of IC activities to enable Congress to perform its oversight responsibilities.

Based on my prior experience in government, if confirmed, I intend to rely heavily on the General Counsel and the Inspector General to ensure that my office and the Intelligence Community are complying with the Constitution and laws. I will also work closely with the Civil Liberties Protection Officer to ensure that the ODNI's activities are in compliance with the Constitution and laws as they relate to privacy and civil liberties and to ensure that the IC is dealing with those issues in a lawful, reasoned, and appropriate manner. In addition to these key players, if confirmed I plan to look to the entire staff of the ODNI to help ensure compliance with the Constitution and laws in their respective areas.

I would expect each of the IC agency heads to ensure compliance with the Constitution and laws and to reach out to me or the ODNI staff when problems arise or when they need assistance.

If confirmed as PDDNI, I will be committed to implementing the statutory responsibility to keep Congress fully and currently informed of intelligence activities. This includes the responsibility to inform Congress of intelligence activities believed to be in violation of US law and to inform Congress of significant misconduct by IC employees that could seriously affect intelligence activities.

QUESTION 5:

Based on your experience as the head of an IC agency, what do you believe are the greatest challenges facing the DNI and the PDDNI?

ANSWER:

I fully support the DNI's position regarding the greatest challenges as stated in his confirmation testimony as the focus on countering terrorism, preventing the proliferation of WMD, and other threats to our national security. I believe that in order to provide actionable intelligence in these areas we must move away from the traditional collect-analyze-react model, which is poorly suited to today's global networked environment. We should remember that the very act of collection influences both what is observed and how it is perceived, interacting both with our adversaries' growing awareness of our capabilities (and consequently what they reveal to observation) and with our own prejudices. But the greatest challenge for the DNI and the PDDNI in a time of transformation will be providing effective leadership for 16 highly varied intelligence elements located across several agencies and departments of the Federal Government. The ODNI must lead the transition from a collection dominated enterprise to a user driven model.

Additional specific areas for attention are:

- To operate as a unified, integrated, but distributed enterprise;
- To focus on cooperation, service, stewardship, and efficiency;
- To adopt technologies and concepts of operation that leverage our US advantage;
- To maintain appropriate investment levels to fund future capabilities; and
- To simplify the way we gather, store, analyze, integrate, and disseminate information.

Acquisitions**QUESTION 6:**

- a. What is your assessment of the state of acquisitions in the IC, including the NRO?
- b. As the Director of the NRO, what have you done to resolve acquisition problems? Please provide specific examples.

ANSWER:

The state of acquisitions in the IC is one of change. We are faced with numerous challenges to the way we have done acquisitions in the past across the community. The most significant challenge that encapsulates the need for change is sustaining and developing new capabilities against a rapidly changing adversary within an uncertain budget environment.

I am obviously most informed about acquisitions within the NRO and CIA/DS&T. In both cases I see fundamental strength in our ability to responsibly carry out acquisitions on behalf of the American taxpayer, but I also see a clear need for improvement. The message sent to me and the Intelligence Community over the past few years by your Committee and others is that we must do better. We need to be able to show that the IC is able to effectively manage the funds entrusted to us. The challenge is to balance user requirements versus available funds. I have made that a hallmark of my tenure as Director, National Reconnaissance Office. Currently, intelligence requirements demand the evolution toward larger, more complex systems that rely on multiple agencies for success. My recent agreement with the Directors of NSA, NGA, DIA and CIA to work towards a fully unified and integrated Community ground architecture is an example of this trend.

Success in this area requires that all IC agencies be able to effectively execute coordinated, state-of-the-art acquisitions. I fully support Director McConnell's emphasis on improving IC acquisition capabilities, and if confirmed, expect to be fully involved in making this happen.

When I was named as Director of the NRO in July 2005, I had clear direction from the Secretary of Defense (SecDef) and the DNI to identify and address the root causes of the problems that had tarnished the NRO's reputation for excellence. After assessing the situation, I came to the same conclusions as a number of earlier independent commissions and blue ribbon panels—significant changes were required both within the NRO and within the IC. I immediately initiated action to address the issues within the NRO and solicited SecDef and DNI support in addressing the Community-level issues.

Within the NRO, I strengthened the emphasis on acquisition process-change initiatives that were already underway when I arrived. These initiatives are intended to reverse the acquisition "reforms" of the 1990s that have since proven -unsuccessful. The NRO is now returning to acquisition "basics" to include hands-on government project management, standards-based acquisition, government-led systems integration, and the implementation of engineering checks and balances at all levels within the organization. In coordination with the DNI, I also took action to make the hard decisions necessary to address troubled acquisition programs. As a result, a major portion of the Future Imagery Architecture program was terminated and the remaining segments were re-baselined to ensure success. In addition, I encouraged a number of innovative acquisition efforts, such as a block-buy strategy enveloping multiple programs to reduce aggregate costs while better balancing and preserving the industrial base and a firm fixed-price contract to more effectively leverage existing

commercial capabilities to meet intelligence requirements and reduce time to orbit.

At the Community level, I also initiated a dialogue with our oversight organizations and mission partners to address a number of factors that adversely affect the NRO's ability to succeed. These inhibitors include an overly constraining Community requirements process, changing Air Force and CIA staffing policies that adversely impact the experience level and substantive depth of the NRO program offices, the lack of financial flexibility, and a joint oversight process that is frequently characterized by duplicative processes, unnecessary bureaucracy, and conflicting priorities. As you might expect, progress in this area has been more tentative. If confirmed, I expect to continue to address these challenges.

Accountability and Benchmarks**QUESTION 7:**

- a. Explain your understanding of accountability and what it means for ensuring the success of the Intelligence Community.
- b. Please describe specific actions you have taken in your professional experience, particularly as the Director of the NRO, to hold individuals accountable for poor decisions or faulty performance.
- c. What do you believe your own accountability should be as the Director of the NRO for any acquisition problems that organization has experienced?

ANSWER:

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

Each and every member of the Intelligence Community is responsible for using the resources entrusted to them judiciously. In addition, all government employees are expected to ensure their performance is consistent with the highest standards of professionalism and integrity. One of the first items on my

agenda, if confirmed, would be to ensure that each member of the IC is fully aware of what is expected of them. If confirmed, I will take decisive action wherever and whenever necessary.

During my two years at the NRO, I have made several important decisions regarding government leadership and program direction based on the demonstrated performance of the leadership teams involved and program progress. It is no accident that the FIA Program Manager and other key members of the FIA team were replaced on my watch. In addition, in coordination with the DNI, we also made major changes to the prime contractor leadership team and significantly reduced the scope of the development effort. The decisions related to the FIA program are indicative of what can be expected during my tenure as PDDNI, if I am confirmed.

To ensure accountability over the actions of our contractors, I have provided the resources and support for the NRO Inspector General to execute one of the most aggressive, proactive procurement, fraud prevention and detection programs in government. NRO has taken a leadership role in the National Procurement Fraud Task Force run by the Department of Justice (DoJ), and the NRO has been praised by DoJ and others for its requirement that its contractors self-disclose contract fraud and other illegal activities. The NRO Inspector General has recovered tens of millions of dollars from contractors as a result of its proactive fraud efforts.

I accept full responsibility for the decisions made or approved by me during my tenure at the NRO. As such, it has been my philosophy to correct any problem of which I am aware and, to that end, I have set many corrective measures in place.

QUESTION 8:

As the head of the NRO, what specific benchmarks have you used to judge the success of the NRO's research and development, acquisitions, and operations?

ANSWER:

At a strategic level the bottom-line is whether or not the information we deliver provides the added-value that enables our consumers to effectively do their jobs. This means that we must work closely with our Mission Partners to ensure that they agree that what we provide is what they most need. So the first benchmark for the NRO, as for any member of the Intelligence Community, is the timely delivery of relevant information, as defined by our users.

Of course, another key mission for the NRO is the acquisition and operation of overhead intelligence collection systems and the associated infrastructure. This is no small matter, the problems we face are more complex than anything in the past and the need for integration with users is increasing.

First, in the research and development arena, the level of investment has consistently ranged from approximately 6-8 percent of the NRO's budget and I have protected these investments as critical enablers for future capabilities. In addition, the Advanced Systems & Technology (AS&T) directorate works closely with the acquisition directorates and the community to identify the most critical new capabilities. AS&T then develops a well-defined and coordinated transition plan aligned with the community needs and measures progress against benchmarks developed with the acquisition directorates. Lastly, the AS&T directorate has also identified six key functional areas for future systems, identified the technology needs to support these areas, and then developed an

investment plan to mature those technologies for incorporation into future acquisitions. AS&T then tracks the progress of these investments against the planned need date.

In our acquisitions one of our principle tools is the baseline agreement and acquisition report (BAAR), this documents the cost, schedule, and performance baseline of an acquisition and allows me to then track the subsequent performance against that baseline. We also hold quarterly programmatic reviews in which the both the technical and programmatic progress of all our acquisitions are reviewed. Significant or looming problems are aired and the program managers must demonstrate a plan to successfully resolve these issues. Lastly, we have Independent Program Assessments (IPAs) done at key junctures, typically just before the NRO declares that a program is ready to proceed to the full acquisitions phase although this can be done at any time. The IPA includes approximately 15 different measures against which the program is assessed to ensure that the program is ready to proceed to the next milestone.

Finally, the area of operations is where the NRO and its contractor workforce really excel; operating systems that are more often than not well beyond their design life. The NRO sets benchmark levels for satellite operational availability to meet user needs and then tracks performance against these levels. At a top level the NRO systems have consistently demonstrated a level of performance at or above the targets set for on-orbit availability.

Contractors**QUESTION 9:**

What principles do you believe should guide the use of contractors, rather than full-time government employees, to fulfill intelligence-related functions?

ANSWER:

There are compelling reasons we use contractors to perform critical functions for the Intelligence Community. Our industry partners design and build complex systems as well as provide operational and maintenance support. We also rely on contractors to provide the basic services that we generally take for granted in the course of our day. These are services that are more economical to outsource to the private sector and they can include anything from network maintenance to janitorial support. There are also certain exigencies that justify an intelligence agency's use of contractors. For example, if an agency has a short term project or mission that exceeds the capacity of its current staff, it is sometimes more appropriate for that agency to use contractors to meet that temporary need than to hire and train permanent federal civilian employees to perform the work. We also employ contractors to provide specialized, niche capabilities that we may not be able to perform with government personnel. In each of these areas, contractors must be used wisely, with full oversight from the government.

What guides me when determining where best to use contractor skills is first, no contractor shall perform work that a government person should be doing. Under no circumstance should a contractor make policy or investment decisions on behalf of the government. Secondly, the use of contractors must be more cost

effective than using government resources. For example, to establish a cadre of government network administrators would be more expensive than to contract with a telecommunications company to provide the service. Thirdly, it is appropriate to use contractors when they offer unique, distinct, or “surge” capabilities that may not be available within the government. Lastly, and most importantly, all contractors and employees of the federal government must comply with the Constitution and laws, as well as with the governing regulations of the organization they support. In any case, if confirmed, I will continue to examine the appropriate use of contractors within the IC.

QUESTION 10:

- a. Explain your understanding of the function of Contract Advisory and Assistance Services, Systems Engineering and Technical Analysis (CAAS/SETA) contractors.
- b. As the Director of the NRO, what specific steps have you taken to reduce the government's reliance on CAAS/SETA contractors?
- c. As the Director of the NRO, what specific steps have you taken to reduce inappropriate CAAS/SETA influence over government decisions?

ANSWER:

CAAS/SETA contractors assist the government in executing its day-to-day management and functional responsibilities. Their role is to provide information, analysis and perhaps recommendations for pending government decisions and actions and to support the implementation of those decisions and actions, but these contractors should not be making decisions or initiating actions on behalf of the government. At the macro-level, they are paid to do the legwork, the number-crunching, and the lower-level analysis that enables the government to make better decisions and more effectively execute its responsibilities. CAAS/SETA provide the skills and horsepower, that for a variety of reasons, the government is either unable to provide itself, or finds it more cost-effective to contract-out. When used appropriately, CAAS/SETA are 'force multipliers' for the government.

CAAS/SETA support is an essential element of the NRO's formula for success, and the NRO simply could not execute its mission without them. That said, I, and most other senior government managers, recognize that it is not in the government's best interest

to become overly reliant on their support. While Director of the NRO, I have taken action to address this concern. I have collocated the most critical, local government staff back into the Westfields complex while physically moving as many CAAS/SETA contractors as possible off-site. The intent is to ensure that the government team does not rely on CAAS/SETA support for day-to-day decision-making, while ensuring there is always a critical mass of government expertise readily available to address issues and provide support. I have also asked the NRO Inspector General to conduct an independent analysis of our use of CAAS/SETA with the intent of streamlining and revalidating requirements. Both initiatives are currently underway. In the process, my intent is to move resources from CAAS/SETA services to acquisitions and mission support.

Analysis and Technology**QUESTION 11:**

- a. Describe the most significant information technology challenges that you believe are facing the IC.
- b. What steps will you take, if confirmed as the PDDNI, to address these challenges?

ANSWER:

I believe the biggest information technology challenge facing the IC is to define and support the IC enterprise architecture so that it is clearly linked to its operational and business functions, is technically sound, and sufficiently robust and agile to support the seamless sharing of information across the IC and to support mission execution. Using the DNI's authorities to manage activities relating to the information technology infrastructure and enterprise architecture requirements of the Community, all IC elements, down to the lowest level, need policy guidance to bring their individual architectures into alignment with the IC enterprise architecture to ensure interoperability and maximize mission effectiveness.

Ensuring cross-Community IT interoperability is essential. The IC's enterprise architecture must transition from a network-centric, data ownership environment to a data-centric, data-sharing environment. The network must be transparent to users, permitting them to access data effectively wherever it resides. In addition, data must conform to standards, allowing it to be reusable and accessible by all IC members. Web-based applications and services must be implemented to meet the common operational

needs across the enterprise. In all our IT initiatives, threats posed to our computer networks must be addressed through rigorous attention to information assurance.

While collaboration may appear as a technical challenge, I believe it is also a cultural challenge. We are now hiring a generation of people who are used to sharing, or working within a shared space. These are people who think about blogs, wikis, and Web 3.0. More importantly, they come to us with new ideas on how to more effectively use new technology to communicate. We have to provide a supportive environment where they can apply those minds to develop new and innovative approaches and solutions to today's more challenging intelligence problems. I would, if confirmed, continue to take an enterprise approach to the acquisition of common IT components and solutions to address these challenges.

QUESTION 12:

- a. Explain your views concerning the quality of intelligence analysis conducted by the IC.

- b. What steps, if any, do you believe are necessary to improve the quality of intelligence analysis within the IC, including the use of alternative analysis, competitive analysis, and red teaming?

ANSWER:

Intelligence analysis must be held to the highest standards of integrity, objectivity, independence from political consideration, timeliness, and rigorous analytic tradecraft. I am committed to doing everything possible to enable the Intelligence Community to accomplish this vital mission. The 9/11 and WMD Commission reports offered important recommendations for improving Intelligence Community analysis, and if confirmed I will ensure that we continue to implement those recommendations and draw on the lessons learned to foster continuous improvement in analytic rigor and expertise. The quality of analytic support provided to policymakers, warfighters, and those responsible for homeland security is of utmost importance to the intelligence enterprise, and to the nation.

I believe the Intelligence Community is improving the rigor and depth of its analytic work, but we must continue to make further progress. An important step is to continue training analysts in how to apply the Intelligence Community-wide analytic standards that the Director of National Intelligence issued in an Intelligence Community Directive in June of this year as part of his 100 Day Plan. These standards provide consistent, clear guidance to the Intelligence Community. The importance of alternative analysis—including assessing the strengths and weaknesses of alternative

hypotheses, viewpoints, or outcomes in light of the information available and information gaps—is highlighted in these standards.

If confirmed, I will strongly support the Intelligence Community's efforts to measure and track progress in implementing these analytic standards, including the use of alternative analysis. In addition, I will work to ensure that the analytic community is agile and can adapt to the fast-changing challenges we face.

Financial Management**QUESTION 13:**

- a. Based on your experience as the head of an IC agency, do you believe that improvements in financial management should be a priority for the IC and the DNI?
- b. What steps will you take, if confirmed as the PDDNI, to ensure that the IC and the DNI achieve full financial accountability, including timely unqualified audits of all National Intelligence Program funds?

ANSWER:

My experience at the CIA and NRO is that financial management, in terms of the actual accountability for funds is, for the most part, very effective. There are always improvements that can be made, but the real challenge is developing the right balance between tighter controls and mission effectiveness and making financial reports more useful to those who manage our programs. I believe that continuous improvement in financial management should be an IC priority.

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

Relationship with the Department of Defense**QUESTION 14:**

- a. Explain your understanding of the need to balance the requirements of national and military consumers, specifically between the requirement to establish a unified national intelligence effort that includes the Department of Defense (DoD) and the continuing requirement that combat support agencies be able to respond to the needs of military commanders.
- b. Based on your experiences, what is your assessment of how this balance has been handled since the creation of the DNI?
- c. What is your understanding of the role of the Under Secretary of Defense for Intelligence (USDI) with respect to the elements of the IC that are within the DoD?
- d. What effect do you believe the recent Memorandum of Agreement regarding the cross-designation of the USDI as the Director of Defense Intelligence within the ODNI will have on the relationship between the IC and DoD?

DDNI/PPR ANSWER:

I share the DNI's goal to create a more unified intelligence enterprise that provides the intelligence to support the President, national-level decision makers and our military commanders in the field. For example, the DNI previously noted that precision weapons systems—which are a fundamental part of the nation's military capabilities—are particularly dependent on national intelligence to make them effective. Such dependencies between national intelligence and military operations will and should

continue to grow and to yield ever greater results. The bottom line is that our national collection agencies must be able to support both national and military requirements.

If confirmed, I will work to implement the creative and aggressive initiatives begun by the DNI to create a unified intelligence architecture across the entire national intelligence enterprise. On this point, I believe that it is especially important to find ways to allocate precious intelligence resources across competing priorities. The DNI is correct to point out that there are only so many satellites, so many linguists, and so many analysts. If confirmed as his Principal Deputy, I would view this balancing and prioritizing as a critical part of my job.

The Department of Defense is currently working on what it calls the "charters" for the IC elements within DoD; an effort that is being coordinated with the ODN(I). This effort follows on the work DoD undertook to set out the roles of the USDI. The USD(I) is the Secretary of Defense's primary advisor for intelligence matters and he supports the exercise of the Secretary's authorities over the DoD intelligence elements. Under the Intelligence Reform and Terrorism Prevention Act, the DNI also has certain authorities over those same elements, which creates the potential for tensions. The recent creation of the Director of Defense Intelligence and the continually maturing relationship between the ODNI and Office of the Secretary of Defense is helping the Community balance these tensions and strike appropriate accommodations between national and defense intelligence priorities. In addition to the cross-designation of the USDI as the Director of Defense Intelligence, the designation of liaison officers between the ODNI and OUSD(I) staffs is another recent move designed to increase the level of integration and collaboration.

According to the Memorandum of Agreement, the Director of

Defense Intelligence will report directly to the DNI and serve as the principal advisor to the DNI regarding Defense Intelligence matters. In addition to his responsibilities to the Secretary of Defense as the USD(I), the Director of Defense Intelligence has IC-level roles and responsibilities as determined by the Director of National Intelligence in consultation with the Secretary of Defense. The DNI is still working out the exact roles and responsibilities for the Director of Defense Intelligence. However, the creation of the position and the desire to find new solutions is a vital step toward achieving meaningful and enduring progress toward a truly integrated Intelligence Community that is securely postured to support both national and defense needs.

QUESTION 15:

Explain the DNI's authority to direct an IC element to collect national intelligence, including foreign intelligence or counterintelligence, concerning a particular topic or a particular individual, including a U.S. person.

ANSWER:

The IRTPA gives the DNI broad authority to “manage and direct” the tasking of collection, analysis, production, and dissemination of national intelligence by IC elements. In particular, the IRTPA states that the DNI “shall establish objectives, priorities, and guidance for the Intelligence Community,” as well as “determine requirements and priorities for, and manage and direct the tasking of collection.” The National Intelligence Priority Framework (NIPF) is the DNI's mechanism for establishing and communicating intelligence priorities. Further, the IRTPA directs that the DNI “shall establish requirements and priorities for foreign intelligence information to be collected under the Foreign Intelligence Surveillance Act.” The DNI's authority includes approving collection requirements on specific areas of interest, as well as the collection of foreign intelligence or counterintelligence against specific individuals, in compliance with all U.S. laws and policies related to the collection of U.S. person information.

In this regard it is worth noting that the IRTPA created a Civil Liberties Protection Officer within the ODNI. From my perspective, I believe this is an especially important position given the DNI's charge to integrate Intelligence Community efforts regardless of whether they occur at home or abroad.

QUESTION 16:

What specific steps did you take as the Director of the NRO to adjust NRO's policies, planning, training, and programs to address current and future threats?

ANSWER:

As Director of the NRO, I directed the development and implementation of a new Strategic Framework which fundamentally realigned the management approach and technical emphasis of the NRO. This document addressed many of the internal issues affecting the NRO's performance. It also drove a number of significant organizational and process-improvement changes that will, over time, significantly change the way in which the NRO executes its mission. The NRO is now managed as a single integrated architecture focused on providing multi-INT solutions to intelligence problems instead of as a set of individual, INT-specific stovepipes. In addition, ground development has equal priority with satellite acquisition, and quick-reaction, operationally responsive support is now emphasized as a primary mission area, in addition to traditional big-system development. The Strategic Framework provides the foundation for enabling the NRO to more quickly and effectively respond to the dynamic nature of today's intelligence problems and those of tomorrow.

I believe that the importance of a highly trained workforce cannot be overstated, both for the NRO and the IC. I have taken a number of steps to ensure success in this area. First, I signed a Statement of Intent with the Air Force Chief of Staff, which makes clear that the Air Force and NRO will work together to improve the career development of our shared workforce. The NRO has also teamed with Air Force Space Command to train space professionals across the government at the new National Security Space Institute in

Colorado Springs. I am working on similar initiatives with the CIA.

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

Future of the Intelligence Community**QUESTION 17:**

- a. What do you consider to be the highest priority challenges facing the IC?
- b. If confirmed as the PDDNI, what will you do, specifically, to address these challenges?

ANSWER:

Today's environment is more complex and difficult than ever before. We are confronted with an ever-changing target set, and intelligence problems develop at a much more rapid pace than in the past, so we must be able to adapt our processes and approaches to respond quickly to evolving problems. The intelligence environment demands continuous global situational awareness and an ability to deliver critical information to support timely decision making. Significant progress already has been made in information sharing and enhanced Community integration to support these needs, but clearly much remains to be done. One overarching issue is getting the right people, with the right skills and the right motivation, in the right places across the Community.

If confirmed, my immediate priority will be to ensure effective follow-up on Director McConnell's 100-day and 500-day plans, which seek to address the challenges I note above. In addition, the ODNI leadership must focus on:

- reducing indirect cost burdens on mission wherever possible
- strengthening financial management across the Community;
- increasing availability of education and training;
- defining appropriate roles for contractors; and
- establishing a common information technology enterprise for the IC.

Professional Experience**QUESTION 18:**

For each of the following, describe specifically how your experiences will enable you to serve effectively as the PDDNI. Include within each response a description of issues for the IC that you can identify based on those experiences:

- a. As the Director of National Reconnaissance Office?
- b. As the Assistant to the Secretary of the Air Force (Intelligence Space Technology)?
- c. As the Deputy Director for Science and Technology at CIA?
- d. As an Assistant Director of the FBI?
- e. As an executive in private industry?

ANSWER:

I have had an opportunity to serve in both public service and private industry, obtaining a number of critical skills, experiences and lessons learned in what I consider a broad and challenging career. In considering the challenges facing the Intelligence Community, as well as the responsibilities of the PDDNI, I would point to five key areas of strength and experience: an ability to identify and deal with troubled components effectively; strong technical background in a changing environment; coalition-building skills; driving organizational cultural change; and a belief that an effective planning system coupled with strong financial management can achieve superior results. While I learned this

latter lesson in private industry, I have tried to do this in all my subsequent government assignments. Also the tools and techniques used to integrate acquired companies can be effectively applied when government organizations are combined.

When I became Director of the National Reconnaissance Office there were a number of serious issues to contend with. First among them was to deal with the troubled FIA program, which I promptly did with the help of an outside technical team. I recommended a course of action to the then-DNI, which he endorsed and, I am pleased to report, we are now successfully executing to the revised program baseline. The next steps were to address the root causes of the failed program that were traced back to misguided “acquisition reforms” in the 1990s. The NRO has gone back to basics in terms of the key elements of system development, acquisition, launch and operations and some of our recent successes bear witness to these changes. Attention has also been paid to training and education culminating in certification for systems engineers, contracting officers, COTRs, and program managers.

Known for strong financial management, the NRO is focused on improving its systems, personnel, and results. An unqualified audit was achieved several years ago, the first and only one in the IC, and we are working hard to repeat that success.

The NRO is a leader in the IC in terms of the size and quality of its R&D program. We are now engaged in a set of internal adjustments to accelerate the transition to operations of newly developed technology capabilities. Some research is long term and focused on revolutionary change, but we do not forget the need to continue investment in fundamental enablers like solar cells, batteries, gyros, and advanced radiation hardened electronics.

New demand for persistent surveillance of fleeting targets has led the NRO to establish strong systems engineering at the enterprise level. A new directorate for systems integration and engineering has been established as well as the position of the chief systems engineer (CSE). The CSE will be a principal contact with our mission partners at NGA, NSA and DIA as we work together on both future overhead constellations and on an integrated ground architecture (IGA).

We are also integrating our operations with USSTRATCOM to provide better situational awareness through my recent agreement with the Commander to link the Joint Space Operation Center (JSPOC) with the NRO Operations Center (NROC). To make this functional, the NRO Deputy Director for Mission Support is also the Deputy Commander of the JSPOC.

Since the NRO performs the majority of its work in conjunction with its mission partners, it exemplifies some of the best collaboration and integration in the IC. This can become the basis for more fully integrating technical collection in the future. Integration is not only a watchword for technical collection and operations, but it is imperative that we integrate intelligence collection and analysis more effectively—they are symbiotic disciplines.

I was given the title Assistant to the Secretary of the Air Force to deal with an unintended consequence of the creation of the USD(I) position; the Air Force, which provides 48% of the NRO staff, was no longer in the chain of command. In addition, I needed the title in order to be the senior rater for the AF personnel assigned. Other benefits soon accrued after the Air Force Chief of Staff and I reached agreement and issued our Statement of Intent:

- an Air Force Major General was assigned as my second deputy and leader of the AF personnel
- the NRO assigned a civilian CIA officer as deputy director for operations (DA3) at Air Force Space Command
- the NRO and AFSPC have jointly conducted a study to improve launch mission assurance and are acting on its recommendations
- the AF and NRO are working jointly to create opportunities to strengthen our industrial base
- USSTRATCOM, AFSPC, and the NRO are collaborating in the areas of space system protection and defensive space control.

I left the FBI to become Deputy Director for Science and Technology (DDS&T) at the CIA starting 26 August 2001. The initial task was to rebuild an entity seriously weakened by reduced resources and personnel in the preceding decade. Events soon overtook me as the 9/11/01 attack and the immediate run-up to the invasion of Afghanistan increased the tempo of technical operations to an unprecedented level. All of the Directorate capabilities from remote sensing to tactical surveillance were stretched thin around the world. Operational needs could only be met by building on existing partnerships with NSA and the FBI, and forging or strengthening ones with USAF, USN, and Special Forces. We welcomed back many retired officers to increase our ability to speed training of a new generation of technical operations officers.

At the same time, we realized that new capabilities we needed to meet the new demands from the field and initiated the Biotechnology Center to bring DNA analysis from the FBI to CIA, created the biometrics initiative, and enhanced our radio frequency collection capabilities. In addition to increasing our direct overseas presence, we substantially increased collaboration with

key foreign partners to extend our capabilities and reach.

By 2005 the Directorate was recognized within the CIA and the broader IC for the enhanced depth and breadth of its capabilities, largely the consequence of a slightly larger, highly motivated technical staff. My experience with CIA in the post-9/11 environment brought home the need to adopt technologies and concepts of operation quickly in order to leverage our US advance. This “ops-tempo” environment continues today, as the Community continues to focus on countering terrorism, preventing the proliferation of WMD, and other threats to national security.

When I joined the FBI in October 1997, the FBI Laboratory was under fire from several quarters. Shortly before I arrived the Bureau’s outgoing Deputy Director had ordered the Latent Fingerprint Section transferred from the Laboratory to another division. One of my first actions was to return that section to the Laboratory. A report by the Inspector General for the US Department of Justice was critical of many of the Laboratory’s customs and practices. Pressure was intense for the Laboratory to apply for the American Society of Crime Lab Directors/Laboratory Accreditation Board (ASCLD/LAB) accreditation. Before the end of the year, I had submitted the accreditation application. During the next year all of the recommendations in the Inspector General’s report had been implemented, and in September 1998, the Laboratory received its ASCLD/LAB certificate of accreditation.

During my four-year tenure at the Bureau, I introduced a series of reforms that left the Laboratory fundamentally different from the organization I found on my arrival. We increased our collaboration with law enforcement agencies worldwide to both expand the range of science and technology available and to conduct joint development projects. We also tapped other federal programs, especially in the defense and intelligence agencies.

The culture change required for companies to move from the protected market of defense contracting to effective competition in commercial markets is significant. I have had direct experience doing this both at EG&G, Inc. and at SAIC. The two companies took different approaches since they had very different strategies for growth. EG&G, Inc. started by providing technical services and custom electro-optical systems to the Atomic Energy Commission and chose to grow by investing its stable earnings from government contracts in a series of manufacturing acquisitions. Some of those acquisitions made commercial components and systems while others principally supplied DoD needs. The company encouraged transfer of technology across the commercial/government divide, but normally did not mix the business of an operating entity. This reflected a knowledge of the different skills needed to serve government and commercial markets, the need for appropriate marketing channels for commercial products, and the very different investment requirements for the two areas of business.

While with EG&G (1985-92) I was responsible for both commercial and government manufacturing businesses as well as technical services. During that period I also served for five years as a member of the executive committee of the National Association of Manufacturers Board and led its defense conversion committee. Some specific and relevant things I accomplished at EG&G are:

- The acquisition and integration of Astrophysics Research Corporation (~\$40M annual sales), then the dominant manufacturer of airport x-ray scanning equipment in the US and UK. In the US the customers were the airlines; internationally the customers were the airport operating authorities.

- The acquisition and integration of Heiman Optoelectronics, a former division of Siemens AG, with manufacturing facilities in Germany, Singapore, and China. This complemented and expanded existing product lines in flash lamps, optical and infrared detectors, and provided an initial capability for micromachined sensors.
- Divestment of Mason Research Laboratory, a biomedical testing laboratory, which did not fit the overall business strategy and added significant potential liability.
- Management responsibility for automotive testing services at ARA in San Antonio, Texas, and Structural Kinematics in Troy, Michigan.
- Expansion and diversification of the traditional government services business by leading the winning effort for the DOE Mound Plant contract and arranging the winning joint venture, Antarctic Support Associates, for the NSF Antarctic Program. I also positioned EG&G to be the principal industrial contractor the now canceled Superconducting Super Collider high energy physics program.

EG&G, a Fortune 178 company, was characterized in this period by having a very strong strategic planning process in which all line managers participated. Specific financial performance goals were set for each business area, incentive programs were tied to their achievement, and significant growth was achieved as sales rose from \$1198 million in 1985 to \$2689 million in 1991 (average annual sales growth 21%, operating income 15%).

I joined Science Applications International Corporation (SAIC) in 1993 to lead the science and technology activities of the company.

My responsibilities included the operating organizations that were involved with energy and environmental programs, modeling and simulation, intelligence, C³, civil and military space programs, and marine technology totaling about \$850 million in sales. SAIC differed greatly from EG&G in that it was employee-owned and largely in the technical services business. Unlike EG&G, it did not organizationally separate government and commercial business because of a recognition that it had only one technical staff to serve all customers. Also SAIC was not organized along business lines but had adopted an evolutionary approach.

Some of the things I accomplished at SAIC which are most relevant are:

- The successful effort to win the operating contract for the National Cancer Institutes Frederick R & D Center.
- Adding systems integration and manufacturing capabilities to one of the major business areas with two acquisitions.
- Initiating projects to penetrate the highly fractionated law enforcement market.
- Supporting several successful initiatives to employ government financed technical capabilities in commercial areas:
 1. image processing for medical radiography
 2. geospatial information systems
 3. biomedical laboratory automation
 4. application of distributed interactive simulation to the education and entertainment markets
- Forming a market-focused \$250 million sector to engage energy and environmental opportunities, both government and commercial.

SSCI# 2007 2943



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

July 16, 2007

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

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Donald M. Kerr, who has been nominated by President Bush for the position of Principal Deputy Director of National Intelligence.

We have reviewed the report and have also obtained advice from the Office of the Director of National Intelligence concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated July 16, 2007, from Dr. Kerr to the agency's ethics official, outlining the steps Dr. Kerr will take to avoid conflicts of interest. Unless a specific date has been agreed to, the nominee must fully comply within three months of his confirmation date with any action he agreed to take in his ethics agreement.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Marilyn L. Glynn".

Marilyn L. Glynn
General Counsel

Enclosures

JUL 24 2007 2:38PM

NO. 853 P. 2

OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE
OFFICE OF GENERAL COUNSEL
WASHINGTON, DC 20511

July 16, 2007

Robert L. Cusick
Director
Office of Government Ethics
Washington, DC 20005-3919

Dear Mr. Cusick,

I have reviewed the Public Financial Disclosure Report (SF 278 Report), dated 16 July 2007, submitted by Dr. Donald M. Kerr in connection with President Bush's nomination of Dr. Kerr to serve as the Principal Deputy Director of National Intelligence (PDDNI). I have examined the duties and responsibilities of the DNI, as reflected in the National Security Act of 1947, as amended.

Based on my review of the duties and responsibilities of the DNI, Dr. Kerr's report, and the specific commitments made in his 16 July 2007 letter to me, also enclosed, it is my opinion that there is no unresolved conflict of interest under the applicable laws and regulations, and I have so certified. The specific commitments made by Dr. Kerr are discussed below.

Federal Government Positions

Dr. Kerr currently serves as the Director of the National Reconnaissance Office and the Assistant to the Secretary of the Air Force (Intelligence Space Technology). He previously served as CIA Director of Science and Technology, Assistant Director of the Federal Bureau of Investigation (Laboratory Division), in several positions at the Department of Energy, and as the Director of Los Alamos National Laboratory.

Assets Held or Income Received

I have reviewed Dr. Kerr's assets and income during the reporting period, which are set forth on Schedule A, to determine whether ownership of those assets would pose a conflict of interest with Dr. Kerr's duties as the PDDNI.

There are a number of entities listed on Schedule A of Dr. Kerr's Public Financial Disclosure Report with which various agencies of the Intelligence Community have current or recent past contractual relationships. Dr. Kerr agreed in his 16 July 2007 letter to me that, if he is confirmed as the PDDNI, he and his spouse will divest all of their interests in these entities within 90 days of his confirmation. Dr. Kerr also agreed that until the divestitures are completed, he will not participate personally and substantially in any particular matter that would have a direct and predictable effect on these entities, unless he first obtains a written waiver pursuant to 18 U.S.C. § 208(b)(1) or qualifies for a regulatory exemption pursuant to 18 U.S.C. § 208(b)(2).

JUL 24 2007 2:38PM

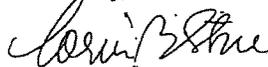
NO. 853 P. 3

To ensure additional conflicts of interest do not arise, Dr. Kerr has pledged to inform me promptly, as the Designated Agency Ethics Official (DAEO), of any acquisitions or sales of securities or other interests he or his spouse may make after the filing of his nominee SF 278 report.

In the event of a conflict of interest, Dr. Kerr has pledged to disqualify himself from taking any official action that would have a direct and predictable effect on the financial interests of those companies or other interests. In addition, if I, as the DAEO, determine that recusal and screening is not a viable option to preclude a conflict of interest under applicable Office of Government Ethics regulations, Dr. Kerr will take the further steps I deem necessary to eliminate the conflict of interest.

Please contact me on 202-201-1039 if you need additional information concerning Dr. Kerr's SF 278 Report, my opinion based on my review of the Report, or the 16 July 2007 letter from Dr. Kerr.

Sincerely,



Corin R. Stone
Principal Deputy General Counsel
Designated Agency Ethics Official

Enclosure

Screening Mechanism for Donald Kerr

The ODNI Designated Agency Ethics Official (DAEO) will counsel employees and advise that no employee discuss matters with Dr. Kerr for which he has been recused. Any questions will be referred to the gatekeepers and General Counsel for determination as to whether it is legally permissible to discuss the matter with Dr. Kerr.

In addition, the DAEO will take the following steps to ensure that Dr. Kerr honors his commitments in his ethics agreement:

- 1) Upon swearing-in as the PDDNI, provide Dr. Kerr with personalized counsel and ethics training to explain the applicable laws and regulations and steps he must take to avoid violating the laws and regulations that apply to him.
- 2) Ensure that Dr. Kerr will disseminate a recusal memo that identifies an employee to whom all matters covered by Dr. Kerr's recusal obligations will be referred. The recusal memo will specify the date(s) on which the various recusal obligations terminate.
- 3) Identify and train Dr. Kerr's Executive Assistant and all other front office staff as gatekeepers who will screen phone calls, correspondence, and other communications to determine if they involve a matter with which Dr. Kerr has a potential conflict.
- 4) Counsel Dr. Kerr and his gatekeepers on the scope of potential conflicts and any resulting obligation to recuse. Ensure that all gatekeepers know to refer any matters covered by any recusal obligations to the employee identified in the recusal memo.
- 5) Counsel the person to whom matters covered by Dr. Kerr's recusal obligations will be referred that he or she is not to consult with the Dr. Kerr concerning referred matters.
- 6) Remind Dr. Kerr to be alert to situations and people that circumvent his gatekeepers. Advise him that in those situations involving a matter from which he is recused, he must promptly explain that he is recused, refer the person or correspondence to the designated employee who handles such matters, and refrain from any further participation in the matter.
- 7) Advise Dr. Kerr and his gatekeepers to keep the DAEO promptly informed of any modifications to his financial interests and to consult with the DAEO should any questions arise.
- 8) Throughout Dr. Kerr's tenure as PDDNI, continue to monitor existing holdings and all new holdings to determine whether conflicts exist, and to remedy any conflicts as appropriate.

16 July 2007

Corin R. Stone
Designated Agency Ethics Official
Office of the Director of National Intelligence
Washington, DC 20511

Dear Ms. Stone:

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

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

In order to avoid potential conflicts of interest under 18 U.S.C. § 208, I will divest my equity interests in the following entities within 90 days of my confirmation: Amgen; Abbott Laboratories; Adobe Systems Inv; Arrow Electronics; Bank of America; Bristol-Myers Squibb; ChoicePoint; Citigroup; Coca-Cola; Eli Lilly & Co.; General Electric; Hewlett-Packard Co.; Home Depot, Inc.; Honeywell; Intel; Johnson & Johnson; Lowes; Marriott International; Medtronic Inc.; Merck & Co.; Pepsico Inc.; Pfizer Inc.; Proctor & Gamble; Schlumberger Ltd.; Smiths Group PLC; Stryker Corp.; Texas Instruments; United Parcel Service; Wyeth; and 3M. My spouse also will divest equity interests in these entities within 90 days of my confirmation. Until these divestitures are completed, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of any of these entities that I have not yet divested, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1) or qualify for a regulatory exemption pursuant to 18 U.S.C. § 208(b)(2).

Sincerely,



Donald M. Kerr

SSCI # 2007 2943

Form Approved: OMB No. 3209-0001

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

SF 275 (Rev. 03/2000) U.S. Office of Personnel Management Ethics

<p>Reporting Individual's Name KERR</p>		<p>Reporting Period (Check appropriate box) <input checked="" type="checkbox"/> New Entrant Candidate <input type="checkbox"/> Incumbent</p>	<p>Termination Date (Month/Day/Year) M</p>	<p>Fee for Late Filing Any individual who is required to file this report 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 reporting period, shall be subject to a \$100 fee.</p>
<p>Position for Which Filing Principal Deputy Director of National Intelligence</p>		<p>Address (Number, Street, City, State, and ZIP Code) 14876 Lee Road, Chantilly, VA 20151</p>	<p>First Name and Middle Initial DONALD</p>	<p>Reporting Periods In incumbent: The reporting period is the preceding calendar year except in the case of a new entrant where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable. Termination Filers: The reporting period begins at the end of the period covered by your previous filing and ends on the last day of the reporting period. Schedule D is not applicable.</p>
<p>Location of Present Office Director, National Reconnaissance Office 721/22005 - present</p>		<p>Title of Position Director, National Reconnaissance Office</p>	<p>Department or Agency (If Applicable) Office of the Director of National Intelligence</p>	<p>Schedule A - The reporting period is the preceding calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing. Schedule B - Not applicable. Schedule C, Part I (Liabilities) - The reporting period is the preceding calendar year up to the date of filing. Schedule C, Part II (Agreements or arrangements) as of the date of filing. Schedule D - The reporting period is the current calendar year up to the date of filing.</p>
<p>Presidential Nominee Subject to Senate Confirmation</p>		<p>Name of Congressional Committee Considering Nomination Select Committee on Intelligence</p>	<p>Do You Intend to Create a Qualified Diversified Trust? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>Nonices, New Entrants and Vice President: Schedule A - The reporting period is the preceding calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing. Schedule B - Not applicable. Schedule C, Part I (Liabilities) - The reporting period is the preceding calendar year up to the date of filing. Schedule C, Part II (Agreements or arrangements) as of the date of filing. Schedule D - The reporting period is the current calendar year up to the date of filing.</p>
<p>Signature of Reporting Individual <i>Donald M. Kerr</i></p>		<p>Date (Month, Day, Year) July 14, 2007</p>		
<p>Signature of Other Reviewer (If desired by agency)</p>		<p>Date (Month, Day, Year)</p>		
<p>Agency Ethics Officer's Opinion On the basis of information contained in this report and any other information available to the agency, the ethics officer has no comments (reference any comments in the box below).</p>		<p>Signature of Designated Agency Ethics Official/Reviewing Official <i>Arnold Stone</i></p>	<p>Date (Month, Day, Year) 7/16/07</p>	
<p>Office of Government Ethics Use Only</p>		<p>Signature <i>Mauly - 7. 16. 07</i></p>	<p>Date (Month, Day, Year) 7/16/07</p>	
<p>Comments of Reviewing Official (If additional space is required, use the reverse side of this sheet) (Check box if filing extension granted & indicate number of days _____) <input type="checkbox"/></p>				
<p>Agency Use Only</p>				
<p>OOE Use Only</p>				

SE 278 (Rev. 03/2000)
 S.C.R.A. Part 2634
 U.S. Office of Government Ethics

Reporting Individual's Name
 KERR, DONALD M

SCHEDULE A continued
 (Use only if needed)

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

Assets and Income

Valuation of Assets at close of reporting period

Income Type and Amount

Other Income Type & Actual Amount

Date (M, D, Y) Only if Honorary

Block A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

* This category applies only if the asset/asset or liability of the filer, spouse or dependent child. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent child, mark the other higher categories of values, as appropriate.

SI 278 (Rev. 03/2000)
 S.C.R. Part 2634
 U.S. Office of Governance Ethics

Reporting Individual's Name
 KERR, DONALD M

SCHEDULE A continued
 (Use only if needed).

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

Valuations of Assets at close of reporting period

Assets and Income

BLOCK A	BLOCK B										BLOCK C												
	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	Over \$500,000,000	Over \$500,000,000	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000	Over \$5,000,000			
											Dividends	Rent and Royalties	Interest	Capital Gains							Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria	
1																							
2																							
3																							
4																							
5																							
6																							
7																							
8																							
9																							

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

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 5 C.A.R. Part 3854
 U.S. Office of Government Ethics

Reporting Individual's Name
 KERR, DONALD M

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SCHEDULE A continued
 (Use only if needed)

Assets and Income	BLOCK B Valuation of Assets at close of reporting period										BLOCK C Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.										Date (Mo., Day, Yr.) Only if Honoraria		
	BLOCK A										BLOCK C												
	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.												
1	Virginia State GO Bond	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	\$1,000,001 - \$5,000,000	\$5,000,001 - \$50,000,000	Over \$50,000,000	None (or less than \$201)	\$201 - \$5,000	\$5,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$10,000	\$10,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000	Over \$5,000,000	Other Income (Type & Actual Amount)	
2	Virginia Pb Bldg Auth Bond																						
3	Virginia St Schools Bond																						
4	Vanguard Ltd Term Tax Exempt Admiral Share																						
5	Vanguard HighYield Tax Exempt Fund																						
6	Amalg Devices Common																						
7	Amtr. Electric Pwr Common																						
8	Arrow Electronics Common																						
9	On Assignment Common																						

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

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

Reporting Individual's Name
KERR, DONALD M

SCHEDULE A continued
(Use only if needed)

Page Number
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Assets and Income	BLOCK B Valuation of Assets at close of reporting period										BLOCK C 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 C									
	Type	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000*	Over \$50,000,000	Over \$100,000,000	Over \$500,000,000	Over \$1,000,000,000	Over \$5,000,000,000	Over \$10,000,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honorary			
1 Bristol-Myers Squibb Common		X																		
2 Berkshire Hathaway B Common			X																	
3 Boston Scientific Common		X																		
4 Anheuser Busch Co Common		X																		
5 Citigroup Inc. Common		X																		
6 Cardinal Health Inc. Common		X																		
7 Celerpillar Inc. Common		X																		
8 Crown Castle Common		X																		
9 Colgate-Palmolive Co. Common		X																		

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

SE 2718 (Rev. 03/2000)
 5 C.F.R. Part 2634
 U.S. Office of Government Ethics

Reporting Individual's Name
 KERR, DONALD M

SCHEDULE A continued
 (Use only if needed)

Page Number
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Assets and Income	BLOCK B Valuations of Assets at close of reporting period										BLOCK C 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 C									
	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000*	\$1,000,001 - \$5,000,000	Over \$5,000,000	None (or less than \$201)	Dividends	Interest	Capital Gains	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria				
1 Comcast Class A Common	X										X									
2 Comcast Spl Cl A Common	X										X									
3 Capital One Financial Common	X										X									
4 ChacoPoint Inc. Common	X										X									
5 Genex SAG ADR													X							
6 Denaher Corp. Common	X										X									
7 Encore Corp. Common											X									
8 Gap Inc. Common	X										X									
9 HSBC Holdings PLC ADR	X										X									

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

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Reporting Individual's Name
KERR, DONALD M

SCHEDULE A continued
(Use only if needed)

Page Number
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Assets and Income	BLOCK B Valuation of Assets at close of reporting period										BLOCK C Income: Type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.										Date (Mo., Day, Yr.) Only if Honorary
	BLOCK A										BLOCK C										
	Type										Amount										
1 Home Depot Inc. Common	None for less than \$1,001	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000*	Over \$50,000,000	Over \$100,000,000	Over \$500,000,000	Over \$1,000,000,000	Over \$5,000,000,000	Over \$10,000,000,000	Over \$50,000,000,000	Over \$100,000,000,000	Over \$500,000,000,000	Over \$1,000,000,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honorary	
2 Hewlett-Packard Common																					
3 Johnson & Johnson Common																					
4 JP Morgan Chase Common																					
5 Kimberly Clark Common																					
6 Coca-Cola Common																					
7 LittleTikes Common																					
8 Eli Lilly & Co. Common																					
9 Lowe's Companies Inc. Common																					

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

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Reporting Individual's Name
 KERR, DONALD M

SCHEDULE A continued
 (Use only if needed)

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

BLOCK A	BLOCK B										BLOCK C																		
	Valuation of Assets at close of reporting period										Type																		
Assets and Income	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000*	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	\$25,000,001 - \$50,000,000	Over \$50,000,000	Dividends	Rent and Royalties	Interest	Capital Gains	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000*	Over \$1,000,000*	Over \$5,000,000*	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1 RPM Inc. Common	X												X																
2 R.R. Donnelly Common		X											X																
3 Sigmia Aldrich Common			X										X																
4 Schlumberger Ltd. Common				X									X																
5 Solecron Common					X								X																
6 Smiths Group PLC Common						X							X																
7 Southern Co. Common							X						X																
8 State Street Corp. Common								X					X																
9 Suncoor Energy Common									X				X																

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

SF 278 (Rev. 03/2000) 5 C.F.R. Part 2634 U.S. Office of Government Ethics		Page Number 12 of 28			
SCHEDULE A continued (Use only if needed)					
Reporting Individual's Name KERR, DONALD M		Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.			
Assets and Income BLOCK A	Valuations of Assets at close of reporting period BLOCK B		BLOCK C		
	None (or less than \$201)	\$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	Type	Amount	Date (Mo., Day, Yr.) Only if Honorary
1 Shares DJ US Telecommunications Sector Index Fund			<input checked="" type="checkbox"/> Dividends <input type="checkbox"/> Interest <input type="checkbox"/> Capital Gains <input type="checkbox"/> None (or less than \$201)	Over \$5,000,000 \$1,000,001 - \$5,000,000 Over \$1,000,000 \$100,001 - \$1,000,000 \$50,001 - \$100,000 \$15,001 - \$50,000 \$5,001 - \$15,000 \$2,501 - \$5,000 \$1,001 - \$2,500 \$201 - \$1,000 None (or less than \$201)	
2 Vanguard Energy Fund			<input type="checkbox"/> Dividends <input type="checkbox"/> Interest <input type="checkbox"/> Capital Gains <input type="checkbox"/> None (or less than \$201)		
3 Sector SPDR Technology			<input type="checkbox"/> Dividends <input type="checkbox"/> Interest <input type="checkbox"/> Capital Gains <input type="checkbox"/> None (or less than \$201)		
4 DFA US Micro Cap Portfolio			<input type="checkbox"/> Dividends <input type="checkbox"/> Interest <input type="checkbox"/> Capital Gains <input type="checkbox"/> None (or less than \$201)		
5 DFA US Sm Cap Value Portfolio			<input type="checkbox"/> Dividends <input type="checkbox"/> Interest <input type="checkbox"/> Capital Gains <input type="checkbox"/> None (or less than \$201)		
6 Third Avenue Value Fund			<input type="checkbox"/> Dividends <input type="checkbox"/> Interest <input type="checkbox"/> Capital Gains <input type="checkbox"/> None (or less than \$201)		
7 DFA Intl Value Portfolio			<input type="checkbox"/> Dividends <input type="checkbox"/> Interest <input type="checkbox"/> Capital Gains <input type="checkbox"/> None (or less than \$201)		
8 DFA Intl Sm Cap Value Portfolio			<input type="checkbox"/> Dividends <input type="checkbox"/> Interest <input type="checkbox"/> Capital Gains <input type="checkbox"/> None (or less than \$201)		
9 Harbor Intl Fund			<input type="checkbox"/> Dividends <input type="checkbox"/> Interest <input type="checkbox"/> Capital Gains <input type="checkbox"/> None (or less than \$201)		

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

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 S.C.R. Part 2634
 U.S. Office of Governmental Ethics

Reporting Individual's Name
 KERR, DONALD M

SCHEDULE A continued
 (Use only if needed)

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Assets and Income	BLOCK B Valuation of Assets at close of reporting period										BLOCK C Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.										Date (Mo, Day, Yr.) Only if Honoris															
	BLOCK A										BLOCK C																									
	Type										Amount																									
1 Vanguard Emerg. Mkts. Stock Index Fund	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	Over \$1,000,000	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	\$25,000,001 - \$50,000,000	Over \$50,000,000	Dividends	Interest	Rent and Royalties	Capital Gains	None (or less than \$201)	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000	Over \$1,000,000	Over \$1,000,000	Over \$5,000,000	Other (Specify Type & Actual Amount)							
2 Vanguard Total Intl Stock Market Index Fund																																				
3 (IRA) Schwab Premier Mktkt Fund																																				
4 (IRA) U S Treas TIP Bond																																				
5 (IRA) U S Treas TIP Bond																																				
6 (IRA) U S Treas Note																																				
7 (IRA) U S Treas TIP Bond																																				
8 (IRA) U S Treas Note																																				
9 (IRA) U S Treas Note																																				

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

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U.S. Office of Government Ethics

Reporting Individual's Name
KERR, DONALD M

SCHEDULE A continued
(Use only if needed)

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Assets and Income	BLOCK B Valuation of Assets at close of reporting period										BLOCK C Amount										Date (Mo, Day, Yr.) Only if Honoraria			
	Type										Type													
	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000*	\$1,000,001 - \$5,000,000	Over \$5,000,000	None (or less than \$201)	\$201 - \$1,800	\$1,801 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000*	\$1,000,001 - \$5,000,000		Over \$5,000,000		
1 (IRA) U S Treas TIP Bond																								
2 (IRA) U S Treas Note																								
3 (IRA) U S Treas Note																								
4 (IRA) Discover Bank CD																								
5 (IRA) GMAC Auto Bank CD																								
6 (IRA) Mercantile Bank CD																								
7 (IRA) Westernbank PR CD																								
8 (IRA) Fed Home Loan Bank Mtg Notes																								
9 (IRA) Fed Home Loan Bank Mtg Notes																								

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

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Reporting Individual's Name KERR, DONALD M				15 of 29																																
Assets and Income	BLOCK A	BLOCK B										BLOCK C										Date (Mo., Day, Yr.) Only if Honoraria														
		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.																								
		None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000*	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	\$25,000,001 - \$50,000,000	Over \$50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Dividends	Net and Royalties	Interest	Capital Gains	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000*	\$1,000,001 - \$5,000,000	Over \$5,000,000	Other Income (Specify Type & Actual Amount)				
1	(IRA) Fed Home Loan Bank Note		X															X																		
2	(IRA) Fed Home Loan Bank Note		X															X																		
3	(IRA) FNMA Note		X															X																		
4	(IRA) FNMA Note		X															X																		
5	(IRA) Alameda County, CA Rev Bond		X															X																		
6	(IRA) Loomis Sayles Bond CI 1		X															X																		
7	(IRA) Northeast Inv. Trust		X															X																		
8	(IRA) PIMCO Comm Merit, Senior Trust		X															X																		
9	(IRA) PIMCO Real Return Fund		X															X																		

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

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Reporting Individual's Name
KERR, DONALD M

SCHEDULE A continued
(Use only if needed)

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

Assets and Income

Valuations of Assets at close of reporting period

Block A, B, and C headers and column labels

Assets and Income	BLOCK B										BLOCK C												
	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	\$1,000,001 - \$5,000,000	Over \$5,000,000	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000	Over \$5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo./Day/ Yr.) Only if Honoraria	
1 (IRA) Vanguard ST Bond Index Fund																							
2 (IRA) Vanguard Total Bond Market Index Fund																							
3 (IRA) DFA Five-Year Gbl Bond Fixed Income Portfolio																							
4 (IRA) PIMCO Foreign Bond Fund																							
5 (IRA) TR Prime Intl Bond Fund																							
6 (IRA) ING Financial Svcs Fund Cl A																							
7 (IRA) Vanguard Health Care Fund																							
8 (IRA) Vanguard REIT Index Fund																							
9 (IRA) Whole Foods Markets Common																							

* This category applies only if the asset/finances is such that if the filer, spouse or dependent child/ren, or if the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent child/ren, make the other higher category of value, as appropriate.

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Reporting Individual's Name
KERR, DONALD M

SCHEDULE A continued
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BLOCK A	Assets and Income	BLOCK B												BLOCK C																							
		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.																							
														Type	Amount												Other Income (Specify Type & Amount)	Date (Mo., Day, Yr.) Only if Honoraria									
														Dividends	None (or less than \$201)	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000*	\$1,000,001 - \$5,000,000	Over \$5,000,000													
1	(IRA) Dodge & Cox Stock Fund	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000*	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	\$25,000,001 - \$50,000,000	Over \$50,000,000	Excepted Trust	Qualified Trust	Dividends	None (or less than \$201)	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000*	\$1,000,001 - \$5,000,000	Over \$5,000,000											
2	(IRA) Longleaf Partners Fund																																				
3	(IRA) DFA US Micro Cap Portfolio																																				
4	(IRA) Vanguard Sm Cap Index Fund																																				
5	(IRA) Vanguard Capital Opp. Fund																																				
6	(S) Schwab Muni Money Mkt Fund																																				
7	(S) Arlington VA GO Muni Bond																																				
8	(S) CA State GO Bond																																				
9	(S) CA State GO Bond																																				

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

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Reporting Individual's Name
KERR, DONALD M

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SCHEDULE A continued
(Use only if needed)

Assets and Income	BLOCK B Valuations of Assets at close of reporting period										BLOCK C 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 C															
	None (or less than \$201)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000*	\$1,000,001 - \$5,000,000	Over \$5,000,000	None (or less than \$201)	Dividends	Interest	Capital Gains	None (or less than \$201)	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000*	Over \$1,000,001 - \$5,000,000	Over \$5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria	
1 (S) Adobe Systems Inc. Common		X																								
2 (S) Applied Materials Common		X																								
3 (S) Amgen Common		X																								
4 (S) Banc of America Corp Common		X																								
5 (S) Bristol-Myers Squibb Common		X																								
6 (S) Clorox Corp Common		X																								
7 (S) Costco Wholesale Common		X																								
8 (S) Chevron Tereasa Common		X																								
9 (S) Walt Disney Co. Common		X																								

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

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Reporting Individual's Name
 KERR, DONALD M

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SCHEDULE A continued
 (Use only if needed)

Assets and Income	BLOCK B Valuation of Assets at close of reporting period												BLOCK C Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.										Date (Mo., Day, Yr.) Only if Honoria		
	BLOCK B Valuation of Assets at close of reporting period												BLOCK C Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.												
	BLOCK B Valuation of Assets at close of reporting period												BLOCK C Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.												
	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000*	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	\$25,000,001 - \$50,000,000	Over \$50,000,000	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000*	\$1,000,001 - \$5,000,000	Over \$5,000,000	Other Income (Type & Amount)	
					</																				

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Reporting Individual's Name
KERR, DONALD M

SCHEDULE A continued
(Use only if needed)

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Assets and Income	BLOCK B Valuation of Assets at close of reporting period										BLOCK C 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 C																
	Type	None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000*	\$1,000,001 - \$5,000,000	Over \$5,000,000	Dividends	Rent and Royalties	Interest	Capital Gains	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$500,000	Over \$500,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria	
1 (S) Seemine SCl Corp Common		X																									
2 (S) Starbucks Corp Common		X																									
3 (S) Schlumberger Ltd. Common			X																								
4 (S) Stryker Corporation Common		X																									
5 (S) Syco Corp Common			X																								
6 (S) Travelers Co Common		X																									
7 (S) Time Warner Common		X																									
8 (S) Walgreen Company Common		X																									
9 (S) Wachovia Corp Common		X																									

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

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Reporting Individual's Name
KEHR, DONALD M.

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SCHEDULE A continued
(Use only if needed)

Assets and Income	BLOCK B Valuation of Assets at close of reporting period										BLOCK C Amount										Date (Mo., Day, Yr.) Only if Honorary
	BLOCK A										BLOCK C										
	None (or less than \$1,000)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	\$1,000,001 - \$5,000,000	Over \$5,000,000	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000	Over \$5,000,000	
Type	Dividends	Rent and Royalties	Interest	Capital Gains	None (or less than \$201)	Dividends	Rent and Royalties	Interest	Capital Gains	Other Income (Specify Type & Actual Amount)											
1 (S) Washington Mutual Common	X										X										
2 (S) Wal-Mart Stores Inc. Common	X										X										
3 (S) Western Union Common	X										X										
4 (S) Wigley Common	X										X										
5 (S) Wigley B Common	X										X										
6 (S) Wyeth Common	X										X										
7 (S) Sector SPDR Materials Fund	X										X										
8 (S) Sector SPDR Utilities Fund	X										X										
9 (S) Exxon Mobil Corp. Common	X										X										

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

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SCHEDULE A continued (Use only if needed)			
Reporting Individual's Name KERR, DONALD M		Valuation of Assets at close of reporting period	
Assets and Income BLOCK A	BLOCK B		
	None (or less than \$1,001) \$1,001 - \$15,000 \$15,001 - \$50,000 \$50,001 - \$100,000 \$100,001 - \$250,000 \$250,001 - \$500,000 \$500,001 - \$1,000,000 Over \$1,000,000*	None (or less than \$201) \$201 - \$1,000 \$1,001 - \$2,500 \$2,501 - \$5,000 \$5,001 - \$15,000 \$15,001 - \$50,000 \$50,001 - \$100,000 \$100,001 - \$1,000,000 Over \$1,000,000*	None (or less than \$201) \$201 - \$1,000 \$1,001 - \$2,500 \$2,501 - \$5,000 \$5,001 - \$15,000 \$15,001 - \$50,000 \$50,001 - \$100,000 \$100,001 - \$1,000,000 Over \$1,000,000*
Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.			
Type	BLOCK C		
	Dividends Interest Royalties Capital Gains	None (or less than \$201) \$201 - \$1,000 \$1,001 - \$2,500 \$2,501 - \$5,000 \$5,001 - \$15,000 \$15,001 - \$50,000 \$50,001 - \$100,000 \$100,001 - \$1,000,000 Over \$1,000,000*	Other Income (Specify Type & Actual Amount) Date (Mo., Day, Yr.) Only if Honorary
1 (S) Dodge & Cox Stock Fund	X		
2 (S) Longleaf Partners Fund	X		
3 (S) DFA Tax Mgd US Sm Cap Portfolio		X	
4 (S) DFA Tax Mgd US Sm Cap Value Portfolio		X	
5 (S) Longleaf Partners Small Cap Fund	X		
6 (S) Vanguard Capital Opp Fund	X		
7 (S) DFA Large Cap Intl Portfolio	X		
8 (S) DFA Intl Small Company Portfolio	X		
9 (S) DFA Intl Value Portfolio	X		

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

SCHEDULE D

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Reporting Individual's Name
KERR, DONALD M

Form 278 (Rev. 05/7/00)
U.S. Office of Government Ethics

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

Examples	Full Name of Recipient (Last, First, Middle Initial)	Address (Street and Address)	Type of Organization	Position Held	From (Mo./Yr.)	To (Mo./Yr.)
1	Donald M. Kerr, Jr.	Trust U/A DTD 12/29/2001, McLean, VA	Revocable Trust	Trustee	12/2001	Present
2	Allison K. Kerr	Trust U/A DTD 12/29/2001, McLean, VA	Revocable Trust	Trustee	12/2001	Present
3						
4						
5						
6						

Part II: Compensation in Excess of \$5,000 Paid by One Source
 Do not complete this part if you are an incumbent, Termination filer, or Vice Presidential or Presidential Candidate. 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 corporations, firm, partnership, or other business enterprise, or any other source that report the U.S. Government as a source. None

Examples	Source (Name and Address)	Brief Description of Duties
1	Doe Jones & Smith, Rosestown, State Metro University (Client of Doe Jones & Smith), Monocytrom, State	Legislative services in connection with university construction
2		
3		
4		
5		
6		

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