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**NOMINATION OF R. JAMES WOOLSEY**

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**HEARING**  
**BEFORE THE**  
**SELECT COMMITTEE ON INTELLIGENCE**  
**OF THE**  
**UNITED STATES SENATE**  
**ONE HUNDRED THIRD CONGRESS**  
**FIRST SESSION**  
**ON**  
**NOMINATION OF R. JAMES WOOLSEY TO BE DIRECTOR OF CENTRAL**  
**INTELLIGENCE**

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**TUESDAY, FEBRUARY 2, AND WEDNESDAY, FEBRUARY 3, 1993**

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# NOMINATION OF R. JAMES WOOLSEY TO BE DIRECTOR OF CENTRAL INTELLIGENCE

TUESDAY, FEBRUARY 2, 1993

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

The Select Committee met, pursuant to notice, at 10 a.m., in room SH-216, Hart Senate Office Building, the Honorable Dennis DeConcini (Chairman of the Committee) presiding.

Present: Senators DeConcini, Metzenbaum, Glenn, Kerrey of Nebraska, Bryan, Graham of Florida, Kerry of Massachusetts, Baucus, Johnston, Warner, D'Amato, Danforth, Gorton, Chafee, Stevens, Lugar and Wallop.

Also Present: Norman Bradley, Staff Director; Britt Snider, Chief Counsel; Kathleen McGhee, Chief Clerk; and Regina Genton, Fred Ward, Tim Carlsgaard, Claudia Daley, John Despres, Peter Dorn, David Garman, Arthur Grant, William Griffies, David Halperin, Pat Hanback, Mike Hathaway, Judy Hodgson, Sarah Holmes, Edward Levine, Karen Lydon, James Martin, Chris Mellon, Zach Messitte, Don Mitchell, Joan Piermarini, Jennifer Sims, Gary Sojka, Chris Straub, Mary Sturtevant, Tawanda Sullivan, Tracey Summers, James Van Cook, Jim Wolfe and Sheryl Wood, Staff Members.

## PROCEEDINGS

Chairman DECONCINI. The Select Committee on Intelligence will come to order.

The Committee meets today to consider the nomination of R. James Woolsey to be the Director of Central Intelligence. This nomination was referred to the Committee on January 21, and the nominee has since supplied answers to the Committee's standard questionnaire for presidential appointees and has filed his financial disclosure statement with the Committee. The Committee has also received a letter from Steven D. Potts, Director of the Office of Government Ethics, advising that, upon confirmation by the Senate, appropriate arrangements will be put in place to ensure that the nominee is in compliance with applicable conflict-of-interest laws.

Without objection, I ask that each of these documents be made a part of the hearing record.

[The documents referred to follow:]

SELECT COMMITTEE ON INTELLIGENCE  
UNITED STATES SENATE

QUESTIONNAIRE FOR COMPLETION BY PRESIDENTIAL NOMINEES

PART A - BIOGRAPHICAL INFORMATION

1. NAME: Robert James Woolsey, Jr.
2. DATE AND PLACE OF BIRTH: September 21, 1941, Tulsa, Oklahoma
3. MARITAL STATUS: Married
4. SPOUSE'S NAME: Suzanne Haley Woolsey
5. SPOUSE'S MAIDEN NAME IF APPLICABLE: Suzanne Haley
6. NAMES AND AGES OF CHILDREN:

<u>Name</u>	<u>Age</u>
Robert Nathaniel Woolsey	19
Daniel James Woolsey	17
Benjamin Haley Woolsey	15

7. EDUCATION SINCE HIGH SCHOOL:

<u>INSTITUTION</u>	<u>DATES ATTENDED</u>	<u>DEGREE RECEIVED</u>	<u>DATE OF DEGREE</u>
Stanford University	9/59-9/63	B.A.	1963
Oxford University	9/63-6/65	M.A.	1965
Yale Law School	9/65-6/68	LL.B.	1968

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):

07/91-Present: Partner with Shea & Gardner (law firm), Washington, D.C.

11/89-07/91: Ambassador and U.S. Representative to the Negotiation on Conventional Armed Forces in Europe (CFE), Vienna, Austria

12/79-11/89: Partner with Shea & Gardner, Washington, D.C.

10/83-01/86 (part-time): Delegate-at-Large to U.S.-Soviet START Talks and Nuclear and Space Arms Talks in Geneva, U.S. Arms Control & Disarmament Agency (carried as DoD consultant), Washington, D.C.

03/77-12/79: Under Secretary of the Navy, Washington, D.C.

12/76-03/77: Transition Team, U.S. Department of Defense, Washington, D.C.

12/73-12/76: Associate with Shea & Gardner, Washington, D.C.

12/70-12/73: General Counsel, Senate Armed Services Committee, Washington, D.C.

09/70-12/70: Staff, National Security Council (assigned by DoD), Washington, D.C.

08/68-08/70: Captain, United States Army, Washington, D.C.

06/68-08/68: Associate with O'Melveny & Myers, Los Angeles, California

06/67-08/67: Summer Associate with Debevoise, Plimpton, Lyons & Gates, New York, New York

06/66-08/66: Intern, Bureau of the Budget, Washington, D.C.

06/63-08/63: Intern, Department of State, Washington, D.C.

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

Chairman, Special Task Force for the Director of Central Intelligence, 06/92-09/92

Vice Chairman, U.S. Department of State's Defense Trade Advisory Group, 1992-Present

Regent, Smithsonian Institution, 1990-Present

Member, Chief of Naval Operations' Executive Panel, 1980-Present (inactive since 02/92)

Trustee, Goldwater Scholarship & Excellence in Education Foundation, 1988-1991

Independent Contractor (income to law firm) for National Security Council, 5/89-9/89; occasional adviser 1985-89

Adviser, Joint Strategic Targetting & Planning Staff, Scientific Advisory Group, 1987-1988

Member, President's Blue Ribbon Commission on Defense Management (David Packard, Chairman), 1985-1986

Member, President's Commission on Federal Ethics Law Reform (Malcolm Wilkey, Chairman), 1989-1989

Member, President's Commission on Strategic Forces (Brent Scowcroft, Chairman), 1983-1984

Member, Office of Technology Assessment's International Security & Commerce Program, M-X Panel, U.S. Congress (1980-1982)

Member, Secretary of Defense Committee on M-X Basing (Charles Townes, Chairman), 1981

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

- Scholarships and Fellowships: Rhodes, Danforth, Sloan, Wilson (1963)
- Phi Beta Kappa
- Stanford B.A. with great distinction
- Managing Editor, Yale Law Journal
- Civilian award for service as Undersecretary of the Navy (1979)
- Aviation Week Laurels Award (1990)
- Award from World Affairs Council (1992)

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

<u>ORGANIZATION</u>	<u>OFFICE HELD</u>	<u>DATES</u>
The Aerospace Corporation P.O. Box 92957 Los Angeles, California 90009	Trustee	1982-1989
American Bar Association Committee on Law & National Security 1155 E. 60th Street Chicago, Illinois 60637	Member	1983-Present
American Civil Liberties Union 132 W. 43rd Street New York, New York 10036	Member	1968-1974
American Society for International Law 2223 Massachusetts Avenue, N.W. Washington, D.C. 20008	Member	1992-Present
Arlington Institute 2101 Crystal Plaza Arcade Suite 136 Arlington, Virginia 22202	Director	1992-Present

<u>ORGANIZATION</u>	<u>OFFICE HELD</u>	<u>DATES</u>
American Enterprise Institute - Public Policy Project on National Defense Advisory Council 1150 17th Street, N.W. Washington, D.C. 20036	Member	1980-1985
Arroyo Center, Advisory Council P.O. Box 91447 Pasadena, California 91109	Member	1984-1985
Aspen Strategy Group Aspen Institute for Humanistic Studies 79 JFK Street Cambridge, Massachusetts 02138	Member	1982-Present
The Atlantic Council of the United States 1616 H Street, N.W. Washington, D.C. 20006	Director	1981-1989 1992-Present
British Aerospace, Inc. P.O. Box 17414 Washington Dulles Int'l Airport Washington, D.C. 20041	Director	1992-Present
Carnegie Commission Task Force on National Security 10 Waverly Place New York, New York 10003	Member	1991-Present
Center for National Policy 317 Massachusetts Ave., N.E. Washington, D.C. 20002	Member Adv. Bd. Member	1982-1989 1986-1989 1991-Present
Center for Naval Analyses 2000 N. Beauregard Street Alexandria, Virginia 22311-1794	Member, Board of Overseers	1983-1989

<u>ORGANIZATION</u>	<u>OFFICE HELD</u>	<u>DATES</u>
Center for Strategic & International Studies 1800 K Street, N.W. Washington, D.C. 20006	Member, Board of Trustees;  Co-Chairman, Maritime Policy Study Group Counsel	1988-1989 & 1991-Present  1980-1989 1980-1989
Chief of Naval Operations Executive Panel (including various Task Forces) 4401 Ford Avenue Alexandria, Virginia 22302	Member	1980-Present (inactive since 2/92)
Council on Foreign Relations 58 E. 68th Street New York, New York 10021	Member	1975-Present
Duke University Institute of Policy Sciences & Public Affairs Board of Visitors Durham, North Carolina 27703	Member	1982-1985
D.C. Bar 1707 L Street, N.W. Washington, D.C. 20036	Member	1970-Present
D.C. Bar Committee on Law & National Security 1707 L Street, N.W. Washington, D.C. 20036	Member	1989-Present
DynCorp 2000 Edmund Haley Drive Reston, Virginia 22091	Director	1988-1989
Fairchild Industries P.O. Box 10803 Chantilly, Virginia 22021-9998	Director	1984-1989
Freedom House 48 East 21st Street New York, New York 10010	Board Member	1991-Present

<u>ORGANIZATION</u>	<u>OFFICE HELD</u>	<u>DATES</u>
Friends of the National Zoo National Zoological Park Washington, D.C. 20560	Member	1975-Present
Goldwater Scholarship & Excellence in Education Foundation 499 S. Capitol Street, S.W. Washington, D.C. 20003	Trustee	1988-1990
Intelligence & Policy Project Steering Committee JFK School of Government Cambridge, Massachusetts 02138	Member	1988-1989
Jamestown Foundation 1708 New Hampshire Avenue, N.W. Washington, D.C. 20009	Director Member, Board of Advisors	1986-1989 1992-Present
Jewish Institute for National Security Affairs Advisory Board 1100 17th Street, N.W. Washington, D.C. 20036	Member	1988-1989 1991-Present
Joint Strategic Targetting and Planning Staff Scientific Advisory Group Offutt AFB, Nebraska 68113	Advisor	1987-1988
Marine Corps Command & Staff College Foundation Board of Trustees Quantico, Virginia 22134	Member	1981-1985
Marshall Group Advisory Board c/o Stuart L. Hannon 3003 Van Ness Street, N.W. Washington, D.C. 20008	Member	1982-1985
Martin Marietta Corporation 6801 Rockledge Drive Bethesda, Maryland 20817	Director	1991-Present

<u>ORGANIZATION</u>	<u>OFFICE HELD</u>	<u>DATES</u>
Martin Marietta Corporate Advisory Board 6801 Rockledge Drive Bethesda, Maryland 20817	Member	1986-1989
Mershon Center of Ohio State University Board of Visitors 199 West 10th Avenue Columbus, Ohio 43201-2399	Board Member	1989-1989
MIT Lincoln Laboratory Advisory Board Lexington, Massachusetts 02173-0073	Member	1985-1989
National Academy of Sciences Panel on Presidentially Appointed Scientists & Engineers 2101 Constitution Avenue, N.W. Washington, D.C. 20418	Member	1991-1992
National Committee on United States-China Relations, Inc. 777 United Nations Plaza New York, New York 10017-3521	Member	1985-1985
National Research Council Air Force Studies Board 2101 Constitution Avenue, N.W. Washington, D.C. 20418	Member	1988
Naval Undersea Warfare Museum Keyport, Washington 98345	Trustee	1981-1986
Naval War College Academic Advisory Board Newport, Rhode Island 02840	Member	1980-1983
Naval War College Foundation Newport, Rhode Island 02840	Assoc. Member	1982-1989
Navy Art Foundation Naval Historical Center Washington Navy Yard Washington, D.C. 20374	Board Member	1987-1989

<u>ORGANIZATION</u>	<u>OFFICE HELD</u>	<u>DATES</u>
Penn Central Federal Systems Company Technical Advisory Board 1800 Diagonal Road Alexandria, Virginia 22314	Member	1985-1989
President's Blue Ribbon Commission on Defense Management 736 Jackson Place, N.W. Washington, D.C. 20503	Member	1985-1986
President's Commission on Federal Ethics Law Reform c/o Office of the Council to the President The White House Washington, D.C. 20500	Member	1989-1989
President's Commission on Strategic Forces (OSD) The Pentagon Washington, D.C. 20301	Member	1983-1984
Shea & Gardner 1800 Massachusetts Avenue, N.W. Washington, D.C. 20036	Partner	1980-1989 1991-Present
Smithsonian Associates Smithsonian Institution Washington, D.C. 20560	Member	1974-Present
Smithsonian Board of Regents Smithsonian Institution Washington, D.C. 20560	Member	1989-Present
State Bar of California 555 Franklin Street San Francisco, California 94102	Member	1970-Present
The Titan Corporation 3033 Science Park Road San Diego, California 92121	Director	1983-1989
Troop 52, Boy Scouts of America Montgomery Co., Maryland	Committee Member	1986-1989

- 10 -

<u>ORGANIZATION</u>	<u>OFFICE HELD</u>	<u>DATES</u>
United Nations Association of the USA Chinese-American Panel on Quadrilateral Relations 300 E. 42nd Street New York, New York 10017	Member	1984-1986
United Nations Association of the USA Global Policy Project 300 E. 42nd Street New York, New York 10017	Chairman	1992-Present
University of Maryland School of Public Affairs Board of Visitors Morrill Hall College Park, Maryland 20742	Member	1988-1989
U.S. Department of State's Defense Trade Advisory Group Washington, D.C. 20520	Vice Chairman	1992-Present
Valentec International Corporation 3190 Pullman Lane Costa Mesa, California 92626	Director	1985-1988
Washington Strategy Seminar Advisory Board P.O. Box 6581 Arlington, Virginia 22206-0581	Member	1984-1989
World Affairs Council, D.C. Board of Directors 2101 L Street, N.W. Washington, D.C. 20037	Director	1980-1989

12. PUBLISHED WRITINGS AND SPEECHES (LIST THE TITLES, PUBLISHERS, AND PUBLICATION DATES OF ANY BOOKS, ARTICLES, REPORTS OR OTHER PUBLISHED MATERIALS YOU HAVE AUTHORED. ALSO LIST THE TITLES OF ANY PUBLIC SPEECHES YOU HAVE MADE WITHIN THE LAST 10 YEARS FOR WHICH THERE IS A TEXT OR TRANSCRIPT). TO THE EXTENT POSSIBLE, PLEASE PROVIDE A COPY OF EACH SUCH PUBLICATION, TEXT OR TRANSCRIPT.

## 1984

- 52a. Nuclear Arms: Ethics, Strategy, Politics, ICS Press, 1984 (R. James Woolsey, editor)
53. "To Help Presidents Get Key Military Data," The New York Times, (Thursday, January 5)
54. "The Politics of Vulnerability: 1980-83," Foreign Affairs (Spring)
55. "Eisenhower's Folly," The Washington Post (Friday, June 8)
56. "America's Hidden Vulnerabilities -- Crisis Management in a Society of Networks," report by the panel on Crisis Management of the CSIS Science & Technology Committee (R.J. Woolsey, chairman)

## 1983

57. "Testimony of R. James Woolsey Before the Subcommittee on Energy Conservation and Power -- Summary Point Paper of National Security Issues" (June 20)
58. "The Defense Budget: A Conservative Debate," (symposium), Policy Review (Summer)
59. "MEMO FOR: SDI Supporters & Critics, RECOMMENDATION: Try Collective Security, FROM: R. James Woolsey," Armed Forces Journal (September)
60. "Industry Under the Gun," (remarks at roundtable w/ Aerospace Education Foundation on 8/15/85); Air Force Magazine (November)
61. "Defectors: The Tempest Tossed," The Washington Post (Sunday, November 10)

## 1986

62. "Scowcroft Commission Recommendations: Relevant to Current Arms Control Negotiations?" (Summary of Remarks), "Strategic Force Modernization and Arms Control," IFPA National Security Papers (No. 6)
63. with Brent Scowcroft and John Deutch, "Midgetman: Keep It on Track," The Washington Post (Tuesday, April 1)
64. with Brent Scowcroft and John Deutch, "Nukes: Continue the Tests," The Washington Post (Sunday, June 29)
65. with Brent Scowcroft and John Deutch, "A Small, Survivable, Mobile ICBM," The Washington Post (Friday, December 26)

## 1987

66. with Brent Scowcroft and John Deutch, "A Way Out of Reykjavik," The New York Times Magazine (Sunday, January 25)
67. "Outline of Testimony of R. James Woolsey Before the Senate Armed Services Committee Subcommittee on Strategic and Theater Nuclear Forces" (March 6)
68. "Outline of Testimony of R. James Woolsey Before the House Armed Services Committee Subcommittee on Research and Development" (March 10)
69. with Brent Scowcroft and John Deutch, "The Danger of the Zero Option," The Washington Post (March 31)
70. "Defending Peace and Freedom: Toward Strategic Stability in the Year 2000," Report of the Atlantic Council's Working Group on Strategic Stability and Arms Control (R. James Woolsey and Brent Scowcroft Co-Chairmen) (May)
71. "Strange Strategic Bedfellows," The Washington Post, (Tuesday, November 3)
72. "Nuclear Deterrence and NATO Are Still the Right Answers," International Herald Tribune, (Friday, November 6) (Note: This is an excerpt from #59)

73. with Brent Scowcroft and John Deutch, "The Survivability Problem," The Washington Post (Thursday, December 3)
- 1988
74. "The Survivability of Strategic Forces," Remarks of R.J. Woolsey at IFPA breakfast meeting, Washington, D.C. (April 12)
75. with Brent Scowcroft and John Deutch, "Come and Get Us," The New Republic, (April 18)
76. with Robert H. Kupperman, "Techno-Terrorism Testimony before the Technology and Law Subcommittee of the Judiciary Committee," (Thursday, May 19)
77. "Submarines and Deterrence," Salick Strategic Conference (Between Two Administrations - An American Dialogue); The Washington Institute for Near East Policy (June 1988)
78. with Brent Scowcroft and John Deutch, "Verify but Survive," The Washington Post (June 14)
79. "Statement by R. James Woolsey Before the House Committee on Government Operations" re implementation of Packard Commission recommendations (Wednesday, July 13)
80. "Statement by R. James Woolsey Before the Senate Committee on Armed Services" re the Pentagon scandal from Packard Commission member viewpoint (Wednesday, July 27)
81. "American Strategic Force Decisions For The 1990's" (done for Aspen Strategy Group) (Wednesday, July 27)
82. "Statement of R. James Woolsey Before the U.S. House Committee on Armed Services" re Pentagon Scandal from Packard Commission member viewpoint (Wednesday, August 10)
83. "Don't Police the Pentagon With the Keystone Kops," Newsday (August 15)

84. "Procurement Reform: A Method to This Madness" (same statement as 7/27/88 statement before US Senate Committee on Armed Services), Key Speeches, Aerospace Industries Association of America, Inc., Volume I, Number 7 (August 1988)
85. "The Future of NATO's Deterrent Posture: An American Perspective,:" The Atlantic Community Quarterly (Summer 1988)
86. "The Defense Procurement Scandal: 'Reform' Must Not Make Things Worse," The Defense Democrat (September 14, 1988)
87. with Donald A. Hicks, Fred C. Ikle, James T. Hackett, "The Future of the Land-Based Deterrent," (Heritage Foundation Lecture #176 -- Panel) (October 17)
88. with Brent Scowcroft, "Defense and Arms Control Policy," American Agenda Report to the Forty-First President of the United States of America (Fall 1988)
- 1989
89. "U.S. Strategic Force Decisions for the 1990s," The Washington Quarterly (Winter 1989)
90. Review of Command of the Seas, by John F. Lehman, Jr., New York: Scribner's, 1988. 464 pp., U.S. Naval Institute's Proceedings (February)
91. Interview w/ RJW in Defense News (Monday, March 27)
92. with Brent Scowcroft, "Advice to the President on Defense and Arms Control Policy," ROA National Security Report, (April)
93. Testimony of R. James Woolsey, Before the Senate Armed Services Committed Subcommittee on Defense Industry and Technology (with attached RJW letter to Malcolm Wilkey, Chairman, President's Commission on Federal Ethics Law Reform) (May 31)
94. "Islands of Excellence, Vectors of Pressure," Interview with R. James Woolsey, Sea Power (July)

95. "Challenges for International Security in the 1990," in Challenges for the 1990s for Arms Control and International Security, NAS Committee on International Security and Arms Control conference held in spring, 1989 (1989)

1990

1991

96. Statement of R. James Woolsey, Chief of the U.S. Delegation to the Negotiation on Conventional Armed Forces in Europe, June 27
97. "Save the CIA, Confirm Robert Gates," The Wall Street Journal, Monday, September 16

1992

98. Science and Technology Leadership in American Government -- Ensuring the Best Presidential Appointments, Report by Panel on Presidentially Appointed Scientists and Engineers, National Academy of Sciences, National Academy Press, March 1992
99. NATO Realignment and the Maritime Component (A Report of the CSIS NATO Maritime Project), Project Co-Chaired by R. James Woolsey, Douglas M. Johnston, Harlan K. Ullman, The Center for Strategic & International Studies, Washington, D.C., July
100. with David M. Abshire and Richard R. Burt, The Atlantic Alliance Transformed, CSIS Significant Issues Series, Volume XIV, Number 6, The Center for Strategic & International Studies, Washington, D.C., August
101. Testimony of R. James Woolsey before the Senate Foreign Relations Committee, "Collective Security in the New World Order: Reviving Article 43 of the U.N. Charter" (as UNA panel chairman), Thursday, September 24
102. Partners for Peace -- Strengthening Collective Security for the 21st Century (A Report of the Global Policy Project of The United Nations Association of the United States of America -- RJWoolsey, Chairman), October 19

103. Remarks of R. James Woolsey before the World Affairs Council, December 2

NOTE: On December 29, 1992, the following items were sent to Mr. Ed Levine of the Committee: 53, 54, 56, 57, 59, 61, 63-66, 69-71, 73-76, 78, 80, 83, 85-89, 92, 93, 95-99. I have attached those items (written in the past ten years) not previously requested at Tab 1.

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

In 1968-69 I served as an analyst in the Intelligence Division of the Office of the Assistant Secretary of Defense (Systems Analysis). I worked there primarily on cost-effectiveness analysis of intelligence collection systems.

In 1969-70 I served as an advisor on the U.S. delegation to the Strategic Arms Limitation Talks (SALT I) in Helsinki and Vienna and then was temporarily detailed to the staff of the National Security Council. In those capacities I frequently utilized intelligence about nuclear weapons and delivery systems.

In 1970-73 I served as General Counsel to the U.S. Senate Committee on Armed Services. There I assisted the Chairman and the Committee in dealing with a range of intelligence matters, including the investigation of the CIA's role in Watergate and the hearings on the nomination of Mr. William Colby to be Director of Central Intelligence.

In 1977-79 I served as Under Secretary of the Navy. In that position I frequently utilized intelligence about naval matters and had a role in overseeing and making decisions about resources for naval intelligence.

In 1983-86 I served on the Scowcroft Commission and, in Geneva, as Delegate-at-Large (on a part-time basis) to the U.S.-Soviet START and NST negotiations. In both capacities I frequently utilized intelligence about nuclear weapons and delivery systems.

In 1989-91 I served as Ambassador and U.S. Representative to the Negotiation on Conventional Armed Forces in Europe (CFE). In that capacity I frequently utilized intelligence on conventional forces.

In the summer of 1992 I chaired a panel for the Director of Central Intelligence to assess certain intelligence collection systems.

I believe that experiences set forth above will be useful if I am confirmed as Director of Central Intelligence.

14. REFERENCES (PROVIDE THE NAMES AND BUSINESS ADDRESSES AND TELEPHONE NUMBERS OF FIVE INDIVIDUALS WHOM YOU BELIEVE ARE IN A POSITION TO COMMENT ON YOUR QUALIFICATIONS TO SERVE IN THE POSITION FOR WHICH YOU HAVE BEEN NOMINATED. INCLUDE THREE INDIVIDUALS WHO HAVE KNOWN YOU FOR AT LEAST FIVE YEARS):

1. Richard Helms (known 20 years)  
1627 K Street, N.W.  
Washington, D.C. 20006  
(202) 466-4226
2. James R. Schlesinger (known 20 years)  
Center for Strategic &  
International Studies  
Washington, D.C. 20006  
(202) 887-0200
3. Walter B. Slocombe (known 30 years)  
Caplin & Drysdale  
One Thomas Circle, N.W.  
Washington, D.C. 20005  
(202) 862-5071
4. Anthony A. Lapham (known 19 years)  
Shea & Gardner  
1800 Massachusetts Avenue, N.W.  
Washington, D.C. 20036  
(202) 828-2000
5. William J. Perry (Known 16 years)  
Technology Strategies & Alliances  
10701 Mora Drive  
Los Altos, California 94022  
(415) 324-5910

**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):**

**Political Activities**

In 1992 I endorsed President-elect Bill Clinton for President by signing a paid advertisement in The New York Times and made public appearances in support of his candidacy on October 26, 1992, in Portland, Maine.

From 1986-1989 I served as Vice Chairman of the Task Force on Foreign Policy and Defense of the Coalition for a Democratic Majority (Congressman Dave McCurdy, Chairman).

In 1987-88 I assisted in raising funds for and advising Senator Albert Gore when he sought the Democratic Presidential nomination.

In 1986 I participated in drafting the Democratic Leadership Council's publication on defense, "Defending America."

In 1985-86 I served as an unpaid consultant to the Senate Democratic Caucus Panel on National Security (Senator Sam Nunn, Chairman).

**Political Contributions**

11/21/92	Friends of Les Aspin (from S.H. Woolsey)	\$1,000
11/16/92	Sanders for Mayor	1,000
10/14/92	Friends of Les Aspin	1,000
09/04/92	Ferraro for U.S. Senate	50
08/18/92	Mike Moody for Senate	150
07/27/92	Solarz for Congress	200
07/13/92	Clinton for President	500
06/05/92	Friends of Les Aspin	100
03/30/92	Friends of Jim Moody	300

11/05/91	Ferraro for Senate	250
11/05/91	Matt Schaffer Exploratory Committee	250
10/31/88	DNC Victory Fund '88	100
09/02/88	Joe Lieberman for Senate	100
04/08/88	Friends of Les Aspin	50
03/07/88	Gore For President	500
01/27/88	Peter Hoagland for Congress Committee	100
11/17/87	Gore for President	500
08/07/86	Fairchild Political Action Committee	250
08/05/86	Bob Edgar for U.S. Senate	100
04/25/86	Friends of Jim Moody	50
04/02/86	Committee for Tim Wirth	500
01/13/86	Mike Barnes for Senate	100
12/17/85	Senator John Glenn Committee	500
12/17/85	Ed Markey for Congress Committee	125
12/16/85	Committee for Tim Wirth	100

Note: I do not have records prior to this date.

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

Not Applicable.

## 17. FOREIGN AFFILIATIONS

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

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

I participated in representations (c), (e) and (f) in question 17B, below, but was not the principal attorney in either (c) or (e). With respect to (e), see answer to question 17D, below.

- B. IF YOU OR YOUR SPOUSE HAS EVER BEEN FORMALLY ASSOCIATED WITH A LAW, ACCOUNTING, PUBLIC RELATIONS FIRM OR OTHER SERVICE ORGANIZATION, HAVE ANY OF YOUR OR YOUR SPOUSE'S ASSOCIATES REPRESENTED, IN ANY CAPACITY, WITH OR WITHOUT COMPENSATION, A FOREIGN GOVERNMENT OR AN ENTITY CONTROLLED BY A FOREIGN GOVERNMENT? IF SO, PLEASE FULLY DESCRIBE SUCH RELATIONSHIP.

During my periods of employment by, and later, membership in Shea and Gardner, the firm has represented the following foreign governments or entities controlled by foreign governments:

(a) Bank of Muscat (1986-90): Represented bank in restructuring and collecting loan from a U.S. citizen who held a partnership interest in a limited partnership that owned a radio station;

(b) Kingdom of the Netherlands (1987): Represented government by filing amicus brief with Supreme Court in trade case (Akzo v. ITC);

(c) Islamic Republic of Iran (1980-81): Represented government in action in which American plaintiffs were seeking preliminary injunction to prevent Iran from removing assets from the United States and seeking compensation for nationalization

(American Int'l Group, Inc. v. Islamic Republic of Iran (D.D.C. 1980):

(d) United Kingdom (1987): represented government in two matters: (1) provided advice regarding American Constitutional law; (2) provided advice regarding five lawsuits filed in the state courts of Minnesota naming two British judges as part of a wide-ranging international conspiracy to debase the U.S. currency;

(e) Republics of Bolivia, Ecuador, Guatemala, Paraguay, and Venezuela (1986): represented in connection with the USTR's consideration of a petition for relief under section 301 of the Trade Act of 1974 that had been brought by several U.S. exporters against nations implementing preshipment inspection programs.

(f) Thomson CSF (1991): began advising French company regarding application of DoD security regulations concerning foreign owned or controlled interests; withdrew due to potential conflict.

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

No, other than from fees paid to firm of Shea & Gardner pursuant to representations set out in 17B, above.

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

Yes. Shea & Gardner, of which I am a partner, has been so employed and has so acted. Foreign governments, firms, and agencies have included:

SGS Control Services, Inc. (USA affiliate of Swiss Company)  
 SGS Government Programs, Inc. (USA affiliate of Swiss Company)  
 SGS North America, Inc. (USA affiliate of Swiss Company)  
 Societe Generale de Surveillance, S.A. (Switzerland)  
 Republic of Bolivia (terminated 4/30/87)  
 Republic of Ecuador (terminated 4/30/87)  
 Republic of Guatemala (terminated 4/30/87)  
 Republic of Paraguay (terminated 4/30/87)

Republic of Venezuela (terminated 4/30/87)  
The Plessey Company, plc

My firm has, from time to time, served as counsel to foreign governments in litigation, for which registration is not required under the Foreign Agents Registration Act. In addition, at the time of its registration as a foreign agent (October 10, 1986), Shea & Gardner explained in its registration materials that it would be involved in activities that related to or resulted from the Office of the United States Trade Representative's consideration of a petition for relief under section 301 of the Trade Act of 1974 that had been filed by several Florida exporters. The petition had been brought against four of the foreign principals identified above and also directly implicated the Republic of Bolivia. All of these nations had recently begun or were in the process of implementing preshipment inspection programs. At the request of USTR, the petition was withdrawn and, as a result, the USTR broadened its review of these programs so that it was no longer focusing its consideration of preshipment inspection on the five Latin American nations. For eighteen months or so the U.S. government studied the effects of preshipment inspection programs implemented by more than 24 developing nations through three private inspection companies. The nature of Shea & Gardner's activities during this period convinced it that it was not an agent of any foreign government. No payments were made to Shea & Gardner by these foreign governments and the foreign governments did not direct Shea & Gardner's activities. Rather, Shea & Gardner served only as an agent for one of the private inspection companies, Societe Generale de Surveillance, S.A., and SGS Control Services, Inc. and SGS North America, Inc., two U.S. affiliates. Accordingly, Shea & Gardner requested that the five identified nations be terminated as foreign principals of the firm.

On December 13, 1988, Shea & Gardner added The Plessey Company, plc., a British company, to its registration statement #3901. Plessey hired Shea & Gardner to undertake legal services, including the preparation of materials, and counseling, on behalf of Plessey, in relation to its investment interests in the U.S. Shea & Gardner has represented the investment interests of Plessey before Members of Congress and their staff.

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 LEGISLATION AT THE NATIONAL LEVEL OF GOVERNMENT, OR FOR THE PURPOSE OF AFFECTING THE ADMINISTRATION AND EXECUTION OF NATIONAL LAW OR PUBLIC POLICY.

(1) In 1987, in connection with Shea & Gardner's representation of SGS and its American affiliates set forth in response to question 17D, above, I assisted my firm in legal work on this case. Incidental to the provision of legal advice and services I had one meeting on Capitol Hill to request that hearings be held if legislation on pre-shipment inspection was to be considered by the Congress. I also spoke by telephone during that period with several Congressional staff members on the same subject. Such legislative contacts were not a principal focus of the legal services.

(2) In connection with my provision of legal advice and services to the Massachusetts Institute of Technology (Lincoln Laboratory) concerning a lease and a government contract, from time to time I contacted Members of Congress and Congressional staff and Executive branch officials. Such legislative contacts were not the principal focus or activity of the legal services and, in the case of the Executive branch contacts, did not relate to quasi-legislative proceedings or general policy determinations.

(3) Since February 1992, I have provided legal advice and services to General Dynamics and McDonnell Douglas concerning litigation in the U.S. Claims Court. In that litigation, filed in 1991, the two companies seek to convert the government's termination for default of the contract to develop the A-12 aircraft for the Navy to a termination for convenience and to recover certain claims. Together with two of my partners, my role has been to manage and oversee the litigation being conducted by two other firms, and to manage negotiations with the government to settle the litigation. In this capacity I have, from time to time, informed Members and staff of the Congress of the course of the litigation and the prospects for settlement negotiations and engaged in discussions with Executive branch officials. Such legislative contacts were not the principal focus or activity of the legal services and, in the case of the Executive branch contacts, did not relate to quasi-legislative proceedings or general policy determinations.

**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.

Pursuant to law and regulations I will, upon confirmation, resign from membership in Shea & Gardner and from my Directorships of Martin Marietta and British Aerospace, Inc., and refrain from contacts with the firm or the two companies that would violate conflict of interest laws or regulations. I will also resign from all non-governmental positions that could create, or appear to create, a conflict of interest.

Upon confirmation, I will sell the shares of Martin Marietta stock listed on my financial statement.

Upon confirmation, I will resign from the two Committee Chairmanships I hold on the Board of Regents of the Smithsonian Institution (Executive Committee and Audit Committee). I would request that I be permitted to continue for several months to serve as a Smithsonian Regent because of the need to maintain an adequate number of Regents to form a quorum for a meeting. If Congress approves the nominations of three Regents that have been pending before it for some months, this need for my continued membership would no longer exist. It is my intention to resign from the Board as soon thereafter as possible.

I would request that I be permitted to retain ownership of the DynCorp stock listed in my financial statement upon condition that I recuse myself from any decisions that might affect that Corporation's interests.

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

Yes, except as stated in response to Question 19, above.

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.

Pursuant to the April 1, 1989 Shea & Gardner partnership agreement, I will receive, upon withdrawal from the firm, return of my capital account and a share of the firm's undistributed profits and fees allocable to services performed prior to such withdrawal. I will also retain my pension benefits (independently managed, fully funded, defined contribution plan -- "American Security Bank Directed -- TTEE Shea & Gardner Keoph Plan FBO R. James Woolsey.")

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 FURNISH DETAILS.

No.

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

I do not have any plans, agreements, understandings, or options.

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?

Not Applicable.

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

Yes. Since 1989 my wife, Sue, has been Executive Director of the Commission on Behavioral and Social Sciences and Education of the National Academy of Sciences. This office has undertaken two unclassified studies for the CIA:

- Improving Research Methodologies in Analysis of the Soviet Union; Contract No. 92-N320600-000; Contract with CIA; December 1, 1991 - October 31, 1992 (completed); \$68,000
- Workshop on Democratization in the Middle East; Contract No. 92-N330400-00; Contract with National Intelligence Council - CIA; August 1, 1992 - December 31, 1992 (completed); \$35,000

If I am confirmed, my wife will recuse herself from any future studies involving the CIA. (All NAS studies are conducted without fee.)

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>
The Aerospace Corporation	Trustee	1982-1989	Self
Arlington Institute	Director	1992-Present	Self
The Atlantic Council of the United States	Director	1992-Present 1981-1989	Self
British Aerospace, Inc.	Director	1992-Present	Self

<u>NAME OF ENTITY</u>	<u>POSITION</u>	<u>DATES HELD</u>	<u>SELF OR SPOUSE</u>
Center for Strategic & International Studies	Trustee	1991-Present 1988-1989	Self
Coopers & Lybrand	Partner	1980-1989	Spouse
Council for Excellence in Government	Director Member, Advisory Board	1986-1992 1992-Present	Spouse
DynCorp	Director	1988-1989	Self
Fairchild Industries	Director	1984-1989	Self
Freedom House	Director	1991-Present	Self
Goldwater Scholarship & Excellence in Education Foundation	Trustee	1988-1990	Self
Henry M. Jackson Foundation	Director	1990-Present	Spouse
Jamestown Foundation	Director	1986-1989	Self
Martin Marietta Corporation	Director	1991-Present	Self
Mershon Center of Ohio State University Board of Visitors	Board Member	1989-1989	Self
Navy Art Foundation	Director	1987-1989	Self
Shea & Gardner	Partner	1991-Present 1988-1989	Self
Smithsonian Institution	Regent	1989-Present	Self
The Titan Corporation	Director	1983-1989	Self
University of Maryland School of Public Affairs Board of Visitors	Board Member	1988-1989	Self
Valentec International Corporation	Director	1985-1988	Self
World Affairs Council	Director	1980-1989	Self

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

None.

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.)

Primary home: 6808 Florida Street, Chevy Chase Maryland -- current market value approximately \$500,000. Also see Schedule A of SF 278 (Public Financial Disclosure Report) attached hereto at Tab 2.

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

Mortgage on Primary home: Household Mortgage Services, \$350,471.13. Car Loan on 1991 Nissan: Chase Bank of Maryland, \$19,935.30. Also see Schedules C and D of SF 278 (Public Financial Disclosure Report) attached hereto at Tab 3.

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? IF THE ANSWER TO EITHER QUESTION IS YES, PLEASE PROVIDE DETAILS.

No.

31. LIST SOURCES AND AMOUNTS OF ALL INCOME RECEIVED DURING THE LAST FIVE YEARS, INCLUDING ALL SALARIES, FEES, DIVIDENDS, INTEREST, GIFTS, RENTS, ROYALTIES, PATENTS, HONORARIA, AND OTHER ITEMS EXCEEDING \$500. (IF YOU PREFER TO DO SO, COPIES OF U.S. INCOME TAX RETURNS FOR THESE YEARS MAY BE SUBSTITUTED HERE, BUT THEIR SUBMISSION IS NOT REQUIRED.)

U.S. Income tax returns are attached for 1988, 1989, 1990, and 1991 at Tabs 4, 5, 6, 7 respectively. See Schedule A of SF 278 (Public Financial Disclosure Report) attached hereto at Tab 2.

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

Yes (see question 31).

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

Yes. A partnership of which I was a limited partner underwent an IRS audit and adjustments were made to the taxable income of the partnership. As a result, my taxable income for the years 1984 and 1985 was adjusted accordingly.

In 1984 my Federal income tax return for 1982 was audited. No additional taxes were due.

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

Current Income Exceeding \$500

- American Security Bank -- joint checking account with spouse (interest)
- British Aerospace, Inc. (board fees)
- Martin Marietta Corporation (board fees)

- Merrill Lynch Cash Management Account -- joint account with spouse (interest)
- Shea & Gardner partnership income

Clients Billed More than \$500 Worth of My Services During Past 5 Years

- Aerospace Corporation
- Bell Communications Research
- Bolt, Baranek & Newman
- The Carlyle Group
- Center for Strategic & International Studies
- Center for Naval Analysis
- Clean Sites
- Cornell University
- DynCorp
- Fairchild Industries
- General Dynamics
- Insilco
- Litton Industries
- Martin Marietta Corporation
- McDonnell Douglas Corporation
- M.I.T. Lincoln Laboratory
- National Academy of Sciences
- National Security Council
- Newmont
- Penn Central Corporation
- Plessey
- Rockwell International Corporation
- SAIC
- Shack & Kimball, p.c.
- Southern Steamship Ltd.
- Thiokol
- Thomson, CSF
- The Titan Corporation
- United Technologies Corporation
- Young & Rubicam

35. DO YOU INTEND TO PLACE YOUR FINANCIAL HOLDINGS AND THOSE OF YOUR SPOUSE AND DEPENDENT MEMBERS OF YOUR IMMEDIATE HOUSEHOLD IN A BLIND TRUST? IF YES, PLEASE FURNISH DETAILS.

No.

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

No conflicts are expected to arise due to:

a) sale of Martin Marietta stock upon confirmation;

b) recusal for one year from dealing with Shea & Gardner, British Aerospace, Inc., and Martin Marietta (I would resign from the partnership and the two boards upon confirmation) pursuant to federal regulations; and

c) recusal from any dealings with DynCorp as long as I retain any ownership of DynCorp stock.

PART 3 - ETHICAL MATTERS

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

No.

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

No.

39. 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.

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

Summer Home: In 1987 I intervened in litigation in Anne Arundel County, Maryland, between the community in which I own a summer home and an estate. The litigation concerned the location of a community swimming pool. The litigation was settled.

Fairchild Industries: In 1989 Fairchild Industries, of which I had been a director since 1984, was sold to Banner Industries. Prior to that sale and in connection with it, several stockholders' derivative actions were filed in which I and the other directors were named as defendants. These cases have all been settled with the exception of Hall and Hemmen v. Fairchild Industries, et al., MDL 822 (N.D. Fla.) (filed Sept. 19, 1989).

41. 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.

(1) On October 23-24, 1985, I testified as a character witness for Dr. William J. Reckmeyer in the U.S. District Court (E.D.Va.) (Criminal Case No. 85-00010-A). Dr. Reckmeyer was a third party in USA v. Christopher F. Reckmeyer II, et al.; he was seeking, ultimately successfully, the return of property claimed to be forfeited under 12 U.S.C. 853.

2) I was interviewed in 1987 by Independent Counsel Whitney North Seymour in connection with his investigation of Mr. Michael Deaver. The purpose of the interview was to ascertain the facts concerning a meeting that I had attended, with numerous others, at which Mr. Deaver had made a presentation to Rockwell International concerning public relations.

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

No.

PART F - ADDITIONAL INFORMATION

43. 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 CENTRAL INTELLIGENCE, THE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE, AND THE INTELLIGENCE COMMITTEES OF THE CONGRESS RESPECTIVELY IN THIS PROCESS.

Through their oversight function, the Congressional Intelligence Committees represent and safeguard the interests of the public, by seeking to ensure that the intelligence activities of the United States are carried out responsibly, effectively, and in accordance with the law. This mechanism is especially important given the necessarily secret nature of much of the planning and conduct of intelligence activities.

The legal responsibilities of the Director of Central Intelligence and other administration officials regarding the oversight function of the Congressional Committees are set out in the National Security Act of 1947, as amended. I would regard the Deputy Director of Central Intelligence as my alter ego with respect to my own responsibilities; in my absence, his obligations should be the same as my own.

The National Security Act, as amended, requires that the Intelligence Committees must be kept "fully and currently informed" of the intelligence activities of the United States, including any significant anticipated intelligence activity. Any illegal activity must be reported in a timely fashion, along with any corrective action taken or planned. Information requested by the Committees must be supplied. The National Security Act also sets out provisions regarding the expenditure of funds on intelligence activities. Amendments to the Act in 1991 added, inter alia, important provisions regarding the authorization, funding and reporting to the Intelligence Committees of covert actions. The Intelligence Committees are of course obligated to protect the classified information provided by the Executive.

In my view, however, the responsibilities of both Executive branch officials and Congress go beyond the specific provisions of the law. The Congressional oversight responsibility provides a mechanism and opportunity for us to improve substantially the quality and utility of the intelligence available to the United States, through cooperation between the two branches. If we are to take advantage of this opportunity, there must be trust and

confidence on both sides, and a willingness to work together in the national interest.

In the aftermath of the Cold War, the Intelligence Community faces major challenges in ensuring that its objectives, structures, methods, and expenditures are suited to today's and tomorrow's world. It will take the best efforts, and dedication, of both the Executive branch and Congress to meet these challenges. Both my own experience as a Congressional staff member and my convictions lead me to the belief that Congress should be treated as a partner by the Executive in this important undertaking. Such partnership, I would point out, implies frequent consultation, tolerance for one another's different viewpoints and organizational needs, and a respect for the importance of the different, but complementary, roles of the two branches.

AFFIDAVIT

I, R. James Woolsey, do swear that the answers I have provided to this questionnaire are, to the best of my knowledge, accurate and complete.

January 26, 1993  
(DATE)

R James Woolsey  
(NAME)

DISTRICT OF COLUMBIA, SS:

Subscribed and sworn to before me, a Notary Public in and for the aforesaid District, this 26th day of January, 1993.

Emgrid M Knight  
(NOTARY)

My Commission expires April 30, 1996



United States

**Office of Government Ethics**Suite 500, 1201 New York Avenue, N.W.  
Washington, D.C. 20005-3917

January 28, 1993

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

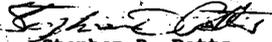
Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the public financial disclosure report filed by Mr. Robert James Woolsey, Jr. President Clinton has nominated Mr. Woolsey for the position of Director of Central Intelligence.

We have reviewed the report and have also obtained advice from the Central Intelligence Agency (CIA) concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter from the CIA's ethics official, dated January 22, 1993, which discusses Mr. Woolsey's ethics agreements with respect to recusals, divestiture, and certain other matters.

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

Sincerely,

  
Stephen D. Potts  
Director

Enclosures

## Executive Branch PUBLIC FINANCIAL DISCLOSURE REPORT

<b>Reporting Status</b> (Check Appropriate Boxes)	<input type="checkbox"/> Incumbent	Calendar Year Covered by Report <b>N/A</b>	<input checked="" type="checkbox"/> New Entrant, Nominee <input checked="" type="checkbox"/> Candidate	Date of Appointment, Candidacy, Election, or Nomination (Month, Day, Year) <b>January 21, 1993</b>	<input type="checkbox"/> Termination Filer	Termination Date (If Applicable) (Month, Day, Year) <b>N/A</b>	Agency Use Only
<b>Reporting Individual's Name</b>		Last Name <b>WOOLSEY</b>		First Name and Middle Initial <b>ROBERT JAMES JR.</b>		Date <b>JAN 22 1993</b>	
<b>Position for Which Filing</b>		Title of Position <b>DIRECTOR OF CENTRAL INTELLIGENCE</b>		Department or Agency (If Applicable) <b>CENTRAL INTELLIGENCE AGENCY</b>		<b>Fee for Late Filing</b> Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period shall be subject to a \$200 fee.	
<b>Location of Present Office</b> (or forwarding address)		Address (Number, Street, City, State, and ZIP Code) <b>WASHINGTON, D.C. 20505</b>		Telephone No. (Include Area Code) <b>703/492-6363</b>			
<b>Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above)</b>		Title of Position(s) and Date(s) Held <b>SEE ATTACHED (p. 2)</b>				<b>Reporting Periods</b> Incumbents: The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable.	
<b>Presidential Nominee Subject to Senate Confirmation</b>		Name of Congressional Committee Considering Nomination <b>Senate Select Committee on Intelligence</b>		Do You Intend to Create a Qualified Disqualified Trust? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Termination Filers: The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.	
<b>Certification</b>		Signature of Reporting Individual <i>James Woolsey</i>		Date (Month, Day, Year) <i>JAN 21, 1993</i>		Nominees, New Entrants and Candidates for President and Vice President: Schedule A--The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing.	
<b>(Other Review (If desired by agency))</b>		Signature of Other Reviewer <b>N/A</b>		Date (Month, Day, Year) <b>N/A</b>		Schedule B--Not applicable.	
<b>Agency Ethics Official's Opinion</b>		Signature of Designated Agency Ethics Official/Reviewing Official <i>David P. Holmes</i>		Date (Month, Day, Year) <i>January 22, 1993</i>		Schedule C, Part I (Liabilities)--The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.	
<b>Office of Government Ethics Use Only</b>		Signature <i>Stephen J. Votter</i>		Date (Month, Day, Year) <i>1/27/93</i>		Schedule C, Part II (Agreements or Arrangements)--Show any agreements or arrangements as of the date of filing.	
Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)							
<b>Position description attached.</b>							

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Positions Held With the Federal Government  
During the Preceding 12 Months  
 (January 1, 1992 - December 31, 1992)

<u>Agency/Organization</u>	<u>Office Held</u>	<u>Dates</u>
Chief of Naval Operations' Executive Panel Washington, D.C.	Member	1980-Present (inactive since 2/92)
Smithsonian Institution Washington, D.C.	Regent	1990-Present
Special Task Force for the Director of Central Intelligence Washington, D.C.	Chairman	1992
U.S. Department of State's Defense Trade Advisory Group Washington, D.C.	Vice-Chairman	1992-Present



Reporting Individual's Name		SCHEDULE A										Page Number												
ROBERT JAMES WOOLSEY, JR.												Page 4												
Assets and Income		Valuation of Assets at close of reporting period					Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.																	
BLOCK A		BLOCK B					BLOCK C																	
Identify each asset held for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period.  Identify each asset or source of income which generated over \$200 in income during the reporting period.  None <input type="checkbox"/>		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	Type							Amount			Date (Mo., Day, Yr.)  Only if Honorary				
										Dividends	Rent and Revenues	Interest	Capital Gains	Exempt Investment Fund	Exempt Trust	Qualified Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000		\$1,001 - \$10,000	\$10,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000
B	Central Airlines Common																							
DC	Ex: Doe Jones & Smith, Hometown, USA																							
J	Keystone Equity Fund																							
	Doe Jones & Smith pension plan																							
D	Merrill Lynch ("ML") Acct. (T-Bills), Baltimore, MD				X																			
D	ML Account (T-Bills) Baltimore, MD				X						X													
D	ML Account (T-Bills) Baltimore, MD				X						X													
	1st American Bank checking acct. (closed)	X															X							
	American Security Bank checking account					X												X						
D	Chevy Chase: S&L Account Chevy Chase, MD (savings)	X															X							

Reporting Individual's Name <b>ROBERT JAMES WOOLSEY, JR.</b>	<b>SCHEDULE A</b>	Page Number <b>Page 5</b>
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Assets and Income <small>BLOCK A</small>		Valuation of Assets at close of reporting period <small>BLOCK B</small>							Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item. <small>BLOCK C</small>												
A.	DC or J	Identify each asset held for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period.  Identify each asset or source of income which generated over \$200 in income during the reporting period.  None <input type="checkbox"/>	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							Type										Actual Amount  Only if "Other" specified	Date (Mo., Day, Yr.)  Only if Honoraria
			Dividends	Rent and Royalties	Interest	Capital Gains	Exempt Investment Fund	Excepted Trust	Qualified Trust	Other (Specify Type)	Amount										
			None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$5,000	\$5,001 - \$25,000	\$25,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$500,000	Over \$500,000	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$5,000	\$5,001 - \$25,000	\$25,001 - \$50,000	\$50,001 - \$100,000	Over \$100,000				
		Central Airlines Common Doe Jones & Smith, Hometown, USA Keystone Equity Fund Doe Jones & Smith pension plan																			
		Chevy Chase S&L Savings Account, Chevy Chase, MD	X															X			
		Chevy Chase S&L Savings Account, Chevy Chase, MD	X															X			
		USAA Subscribers Savings Acct., San Antonio, TX	X								X							X			
		Shea & Gardner Washington, D.C.		X															Partnership Income	Approximately \$443,663 (books not closed for 1992)	
		Textron Washington, D.C.																	Honorarium	\$2,500 11/5/92	
		National Defense Univ. Washington, D.C.																	Honorarium	\$ 250 11/16/92	



Reporting Individual's Name: **ROBERT JAMES WOOLSEY, JR.** Page Number: **Page 7**

## SCHEDULE A

Assets and Income		Valuation of Assets at close of reporting period							Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.																			
BLOCK A		BLOCK B							BLOCK C																			
Identify each asset held for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period.  Identify each asset or source of income which generated over \$200 in income during the reporting period.  None <input type="checkbox"/>		None (or less than \$1,001) per year							Type										Actual Amount Only if "Other" specified	Date (Mo., Day, Yr.) Only if Honoraria								
		\$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	Dividends	Rents and Royalties	Interest	Capital Gains	Exempted Investment Fund	Exempted Trust	Qualified Trust	Other (Specify Type)	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	Dividends	Rents and Royalties	Interest	Capital Gains	Exempted Investment Fund	Exempted Trust	Qualified Trust	Other (Specify Type)	\$1,001 - \$1,000	\$1,001 - \$200	\$201 - \$100	\$101 - \$50	\$51 - \$25	\$26 - \$10	\$11 - \$5	\$6 - \$1	\$2 - \$1	\$1	Over \$1	
B.	E.g.,	Central Air Lines Common																										
C.		The Jones & Smith, Hometown, USA																										
D.		Keystone Equity Fund																										
E.		The Jones & Smith pension plan																										
1.																Honorarium											\$500	6/12/92
2.								X				X																
3.																												
4.																												
5.																												
6.																												
7.																												

Reporting Individual's Name  
**ROBERT JAMES WOOLSEY, JR.**

**SCHEDULE B** New Entrant/Nominee/Candidate:  
 Schedule Not Applicable

Page Number  
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**Part I: Transactions**

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

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

None

B. DC #	Identification of Assets	Transaction Type (a)		Date (Mo., Day, Yr.)	Amount of Transactions (c)															
		Purchase	Sale/Exchange		\$1,000 - \$1,999	\$2,000 - \$4,999	\$5,000 - \$9,999	\$10,000 - \$24,999	\$25,000 - \$49,999	\$50,000 - \$99,999	\$100,000 - \$249,999	\$250,000 - \$499,999	\$500,000 - \$999,999	\$1,000,000 or more						
1	Example: Central Airfare Common			9/1/91																
2																				
3																				
4																				
5																				

**Part II: Gifts, Reimbursements, and Travel Expenses**

Report the source, a brief description (including travel, dates, and the nature of expenses provided), and the value of: (1) transportation, lodging, food, or entertainment received from one source totaling \$250 or more (unless received as personal hospitality at the donor's personal or family residence); (2) other gifts from one source totaling \$100 or more in value; and (3) cash reimbursements of \$250 or

more from one source. Exclude gifts, reimbursements and travel expenses from the U.S. Government. Also exclude gifts from relatives, gifts of \$75 or less when aggregating gifts for the total from one source, and gifts and reimbursements received by your spouse or dependent child that were given totally independent of the relationship to you. See instructions for further exclusions.

None

B. DC #	Source (Name and Address)	Brief Description	Value
1	Example: Nat'l Assn. of Book Collectors, NY, NY	Airfare ticket, hotel room & meals incident to national conference 9/15/90	\$200
2	Nat'l Assn. of Book Collectors, NY, NY	Leather briefcase for visiting president	\$125
3			
4			
5			

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Reporting Individual's Name <b>ROBERT JAMES WOOLSEY, JR.</b>	<b>SCHEDULE C</b>	Page Number <b>Page 9</b>
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**Part I: Liabilities**

Report liabilities over \$10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out; loans secured by automo-

biles, household furniture or appliances; and liabilities owed to certain relatives listed in Instructions. See instructions for revolving charge accounts.

None

Creditor (Name and Address)		Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Account or Value (2)											
						MORTGAGE - RENTED	MORTGAGE - NOT RENTED	MORTGAGE - OTHER									
A	Examples: First District Bank, Washington, DC	Mortgage on rental property, Delaware	1981	13%	25 yrs												
B	John Jones, 123 4th St, Washington, DC	Promissory note	1989	10%	on demand												
1	1ST Advantage Mortgage Corp. McLean, Virginia	mortgage on summer home in Sherwood Forest, MD (sold in 11/92)	1979	10.5%	30 yrs		X										
2	Chemical Bank Columbus, Ohio	mortgage on summer home in Arnold, MD (purchased in 11/92)	1992	7.75%	15 yrs								X				
3																	
4																	
5																	

**Part II: Agreements or Arrangements**

Report your agreements or arrangements for future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an

employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

None

Status and Terms of any Agreement or Arrangement	Parties	Date
Example: Payment to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 1/31 and retained pension benefits (independently managed, fully funded, defined contribution plan)	Doc Jones & Smith, Hometown, USA	Y88
1 Pursuant to the 4/1/89 partnership agreement, I will receive, upon withdrawal from the firm, return of my capital account and a share of the firm's undistributed	Self, Shea & Gardner, Washington, D.C.	4/1/89
2 profits and fees allocable to services performed prior to such withdrawal. I will also retain my pension benefits	(Partnership Agreement)	
3 (independently managed, fully funded, defined contribution plan -- "American Security Bank Directed - TTEE Shea & Gardner Keogh Plan		
4 FBO R. James Woolsey."		
5		

Reporting Individual's Name <b>ROBERT JAMES WOOLSEY, JR.</b>	<b>SCHEDULE D</b>	Page Number Page 10
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**Part I: Positions Held Outside U.S. Government.**

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

None

Example	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
	North Amm. of Bank Officers, NY, NY Doe Jones & Smith, Hometown, USA	Non-profit educational Law firm	President Partner	Y63	1961
1	SEE ATTACHED (pp. 11-12)				
2					
3					
4					
5					
6					

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

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

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

Incumbent /  
Termination Filer/  
Candidate:  
Not Applicable

None

Source (Name and Address)	Brief Description of Dates
Example: Doe Jones & Smith, Hometown, USA Metro University (client of Doe Jones & Smith), Hometown, USA	Legal services Legal services in connection with university construction
1. Shea & Gardner Washington, D.C.	Partnership Income
2. Martin Marietta Bethesda, Maryland	Board Fees
3. British Aerospace, Inc. Herndon, Virginia	Board Fees
4. ITT Washington, D.C.	Honorarium for speech, 10/15/91
5. SEE ATTACHED (p. 13)	

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**SCHEDULE D - PART I:**  
POSITIONS HELD OUTSIDE U.S. GOVERNMENT  
 (January 1, 1991 - December 31, 1992)

<u>NAME/ADDRESS</u>	<u>TYPE</u>	<u>OFFICE HELD</u>	<u>DATES</u>
Arlington Institute 2101 Crystal Plaza Arcade Suite 136 Arlington, Virginia 22202	Non-Profit	Director	1992-PRESENT
The Atlantic Council of the United States 1616 H Street, N.W. Washington, D.C. 20006	Non-Profit	Director	1992-PRESENT
British Aerospace, Inc. P.O. Box 17414 Washington Dulles Int'l Airport Washington, D.C. 20041	Corporation	Director	1992-PRESENT
Center for Strategic & International Studies 1800 K Street, N.W. Washington, D.C. 20006	Non-profit	Member, Board of Trustees	1991-PRESENT
Freedom House 48 East 21st Street New York, New York 10010	Non-Profit	Board Member	1991-PRESENT
Martin Marietta 6801 Rockledge Drive Bethesda, Maryland 20817	Corporation	Director	1991-PRESENT

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<u>NAME/ADDRESS</u>	<u>TYPE</u>	<u>OFFICE HELD</u>	<u>DATES</u>
Shea & Gardner 1800 Massachusetts Avenue, N.W. Washington, D.C. 20036	Law Firm	Partner	1991-PRESENT
Smithsonian Institution Washington, D.C. 20560	Cultural	Regent	1989-PRESENT

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SCHEDULE D - PART II:  
COMPENSATION IN EXCESS OF \$5,000 PAID BY ONE SOURCE (continued)  
(January 1, 1991 - December 31, 1992)

NOTE: The following services were provided through, and compensation received by, my law firm.

Carlyle Group - advise re potential acquisition

General Dynamics - oversee litigation and manage any settlement discussions re dispute over DoD termination of A-12 aircraft contract

McDonnell Douglas Corporation - oversee litigation and manage any settlement discussions re dispute over DoD termination of A-12 aircraft contract

National Academy of Sciences - advise re government accounting regulations

SAIC - advise re conflict of interest laws and regulations

Southern Steamship Ltd. - advise re U.S. maritime and tax law and regulations

Titan Corporation - advise re potential termination of communications system contract

DCI POSITION DESCRIPTION

The Director of Central Intelligence (DCI) is a statutory position established on 26 July 1947 by section 102 of the National Security Act of 1947, Pub. Law No. 80-253, 61 Stat. 495 (to be codified at 50 U.S.C. § 403(a)(2) as amended by the Intelligence Organization Act of 1992 § 701 et seq., Pub. Law No. 102-496, 106 Stat. 3188 (1992)). The DCI shall be appointed by the President, by and with the advice and consent of the Senate. § 704, 106 Stat. at 3189. The DCI shall serve as head of the United States intelligence community, act as the principal adviser to the President for intelligence matters related to the national security, and serve as head of the Central Intelligence Agency. Id.

- Under the direction of the National Security Council, the DCI shall be responsible for providing national intelligence-

- to the President;
- to the heads of departments and agencies of the executive branch;
- to the Chairman of the Joint Chiefs of Staff and senior military commanders; and
- where appropriate, to the Senate and House of Representatives and the committees thereof. § 705, 106 Stat. at 3190-91 (to be codified at 50 U.S.C. § 403-3(a)(1)).

- In the DCI's capacity as head of the intelligence community, the DCI shall-

- develop and present to the President an annual budget for the National Foreign Intelligence Program of the United States;
- establish the requirements and priorities to govern the collection of national intelligence by elements of the intelligence community;
- promote and evaluate the utility of national intelligence to consumers within the Government;
- eliminate waste and unnecessary duplication within the intelligence community;
- protect intelligence sources and methods from unauthorized disclosure; and
- perform such other functions as the President or the National Security Council may direct. § 705, 106 Stat. at 3091-92 (to be codified at 50 U.S.C. § 403-3(c)).

ATTACHMENT

- In the DCI's capacity as head of the Central Intelligence Agency, the DCI shall-
  - collect intelligence through human sources and by other appropriate means, except that the Agency shall have no police, subpoena, or law enforcement powers or internal security functions;
  - provide overall direction for the collection of national intelligence through human sources by elements of the intelligence community authorized to undertake such collection and, in coordination with other agencies of the Government which are authorized to undertake such collection, ensure that the most effective use is made of resources and that the risks to the United States and those involved in such collection are minimized;
  - correlate and evaluate intelligence related to the national security and provide appropriate dissemination of such intelligence;
  - perform such additional services as are of common concern to the elements of the intelligence community, which services the Director determines can be more efficiently accomplished centrally; and
  - perform such other functions and duties related to intelligence affecting the national security as the President or the National Security Council may direct. § 705, 106 Stat. at 3192 (to be codified at 50 U.S.C. § 403-3(d)).

ATTACHMENT

Chairman DECONCINI. If confirmed by the Senate, Mr. Woolsey will be the 16th person to serve as Director of Central Intelligence since the office was created in 1946 by President Truman. The responsibilities and authorities of the DCI have evolved considerably since then, and, indeed, the capabilities of U.S. intelligence are vastly larger and vastly more sophisticated than President Truman could ever have imagined.

As the official responsible for coordinating these capabilities and marshaling them in support of the President and other policy-makers, the DCI plays a uniquely sensitive and a uniquely important role in the government. He must support policymakers, but not become a captive of the policymaker. He must ensure that the vast capabilities at his disposal are effectively utilized, but that they remain within the confines of U.S. law and bounded by our national interest. He should be prepared to take risks, and yet be prudent and restrained in terms of both policy decisions and resource allocations. In short, the position demands an uncommon measure of judgment and discretion.

And the next DCI is likely to face an even more difficult assignment than his predecessors. It hardly needs repeating that the world has dramatically changed. While it may have become less threatening, it has also become vastly more complicated. The end of the Cold War has unleashed nationalistic, ethnic, and religious conflicts which had been previously held in check. We now have to worry about countries and conflicts which were not on our screens several years ago.

The Intelligence Community has necessarily shifted the focus of its attention. The demands for information have not abated; indeed, they have increased. The review of intelligence requirements which was completed last year at DCI Gates' direction resulted in not one requirement being dropped. Rather, the review resulted in only new requirements being added.

Notwithstanding the apparent appetite for intelligence, there is considerable pressure, given our enormous budget deficits, to do more with less, and, I, for one, think it can and should be done. While the demands for information have not abated, there is a potential for savings if we look objectively at the means we use to collect it. In the past, we were forced to undertake costly technical programs because we were denied access to certain countries. Many of those countries are now accessible. By the same token, we developed highly specialized capabilities to be able to reach particular targets. Now many of those targets no longer pose a threat to us. On the other hand, because of our long fixation on the Soviet military threat, we may not have developed capabilities to give us sufficient breadth and flexibility in other parts of the world.

It seems to me the principal challenge for the new DCI will be to match collection capabilities to the rapidly shifting needs of the Government. I will be looking to the new DCI to undertake a comprehensive review of this problem as an early order of business, and advise this Committee of his findings. Clearly, we must preserve a capability to provide the President with warning of diplomatic and military crises around the world, and provide him with the information he needs to choose between competing options. We must provide our military forces with the information they need to

deploy around the world and to defend themselves against hostile actions. We must preserve a capability to monitor and verify the arms control agreements we now have in place, as well as cope with international narcotics and terrorist operations.

The Cold War may be over, but there are some demands on intelligence that will remain constant whatever the political environment.

To confront these daunting challenges, President Clinton has sent us a very able nominee. Jim Woolsey is, in many ways, an ideal choice for this job. He has seen intelligence from the inside, but he brings the vigor and fresh perspective of an outsider.

Senator Boren, in his introduction, will go through Mr. Woolsey's background. I will not repeat it now. Suffice it to say, his academic and professional credentials are impeccable. He has held important posts in the government. He has written and spoken frequently and eloquently on public policy issues. He has given unselfishly of his time to many non-profit organizations in the national security area as well as to many institutions of higher learning.

I think we are fortunate to have a man of his caliber nominated for this position, and we welcome him to the Committee today.

I hope the Committee will use this opportunity to explore his views with respect to the future of intelligence as well as to understand his views of, and commitment to, the oversight process.

Should he be confirmed, which I trust he will be, I look forward to the next two years of working closely with him to achieve what I hope will be mutually-shared goals.

I now yield to the Vice Chairman, Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

We welcome our distinguished former Chairman who is appearing before us this morning—I don't know whether that is a plus or a minus—and a Member of Congress, and our distinguished colleague from Maryland, and an old friend of Jim Woolsey.

I think both the nominee and I recognize that we got our jump starts in political life in the Department of the Navy. We remain everlastingly grateful for that.

Mr. Chairman, I will take a few minutes here. I do want to go over several points, so I will ask the indulgence of my colleagues.

First, I would like to say that our nominee, if confirmed—and you will have my support—follows in the shoes of a very distinguished Director of Central Intelligence, Bob Gates. The man on your left, the Senator from Oklahoma, was instrumental together with others of us, in guiding through Mr. Gates very contentious nomination. Most would agree that Bob Gates did a very commendable job. We should acknowledge that this morning.

There is talk about one of my greatest concerns, Mr. Woolsey, and I think you share it. It relates to the widespread proliferation of nuclear, chemical, and biological weapons throughout the world, as well as advanced conventional weapons and satellite systems. The Intelligence Community has played and must continue to play a vital role in identifying the sources of weapons, technology, and components, assessing the status of individual nations developing programs and assisting in the development of plans to counter the potential threat of these weapons and systems to the security of the United States and our friends and allies.

In this regard, I applaud the initiatives taken by Director Gates and the Bush Administration to establish a Non-Proliferation Center within the Intelligence Community so as to highlight and better address this important national security problem.

In the area of military intelligence support, the unknown and uncertain nature of future military threats means that our leaders must be fully informed about the capabilities and intentions of potential adversaries. The intelligence requirements of the military services during operation Desert Shield and Desert Storm as well as in humanitarian relief operations in Somalia have demonstrated the need to develop new mechanisms for coordination of intelligence gathering and sharing of data within the Community itself.

A number of recommendations of the JCS have already been implemented to improve defense intelligence support in the times of crisis and war. Additional measures are under consideration to meet anticipated shortfalls in defense gathering capabilities. As we decline in our defense budget, I want to make it very clear that I think we should maintain an even stronger intelligence capability.

In the area of economic intelligence, there is a growing number of views that the United States should follow the lead of certain countries, primarily in Europe, that utilize their intelligence collecting for the benefit of their businesses and private sector. Some have even suggested that the intelligence agencies should conduct industrial espionage and provide sensitive information directly to U.S. companies. In my view these proposals raise serious questions about the proper role of the U.S. Intelligence Community as well as questions concerning the companies which would receive such information and their status as U.S. or foreign owned companies. This legal and political issue is one in which I have a serious interest and which will require on my part—and I think, Mr. Chairman, yours and the other Members of this Committee—a great deal of very careful study.

At the same time these new challenges must be met, the Intelligence Community must maintain its ability to monitor effectively all arms control treaties, whether currently in force or pending ratification by all of the parties involved. These agreements form the basis for the future potential threat scenarios which form the basis of our overall military force planning, and thus our national security posture.

Some have questioned the need to maintain a significant intelligence capability in the absence of the overwhelming Soviet threat. I am not one of those who doubts the enduring value of accurate and timely information on the current status of affairs throughout the world. Our challenge together is to demonstrate the unique and essential role of our intelligence agencies in a changing world, and to provide sufficient justification for the devotion of adequate resources to maintain that capability.

Mr. Chairman, this brings me to the article which appears in the New York Times this morning which acknowledges your role—and I say this with all due respect, my good friend—in the significant cuts that the Intelligence Community took last year, roughly \$1.6 billion. And it states as follows: "In a more telling sign of his approach, Senator DeConcini said he believed that the collapse of the Soviet threat meant that the United States' espionage activity no

longer needed to be on the cutting edge." I must say I respectfully disagree with that. I think we have to remain on the cutting edge in this country. And I would hope this morning, Mr. Chairman, that your comments with respect to additional cuts which you feel can be made could be brought forth so that we could have the views of our nominee. This would be, I think, an opportune time to have a dialogue on that series of issues.

I thank the Chair.

Chairman DECONCINI. Thank you, Senator Warner. I will be glad to debate the cutting edge issue. It will have to be in a closed session, because as the Senator knows, some of these cutting edges are very expensive and I would be glad to pursue that with the Senator. I won't do it in public here.

The Senator from Ohio.

Senator METZENBAUM. First, let me identify with the concerns expressed by the Chairman and indicate support for the position he has taken with respect to the cuts, and maybe more if possible.

I am very pleased to welcome Jim Woolsey here today. For the first time in 12 years, we are meeting to consider the nomination of a Director of Central Intelligence by an Administration that has committed close consultation with the Congress. I don't know when any nominee has come before a Committee with more background in governmental activities than has Jim Woolsey, and for that I think all of us respect him and appreciate his public service.

And I can say without any fear of contradiction that no nominee has ever come before me in my years here in the Senate who has been a more prolific writer than have you. I am certain that if time permitted, I would have found much in those writings to agree with, maybe some to disagree with, but certainly you have been most prolific.

The past 12 years were often ones of conflict between the Executive branch and the Congress. The Nicaraguan harbor mining controversy and the Iran-Contra scandal are just two examples of the disarray that resulted from treating Congress as the enemy. Now we have a chance for an historic turning point in which the Executive branch recognizes the Congressional Oversight Committees as partners in the quest for a more efficient and effective U.S. Intelligence Community.

I am looking forward to hearing Mr. Woolsey's answers to a wide variety of questions that reflect the changing and difficult times in which we live. The old enemy is gone, and so are the old budgets of the 1980's. It has been suggested that, although the old enemy is gone, now there are a greater number of enemies out there and that therefore we must intensify and expand our efforts.

I wonder what adjustments Mr. Woolsey plans for this new world. Will Mr. Woolsey attack the problems of over classification of information, where anything and everything that comes down the pike gets a stamp of some kind of classification from the CIA? Will he reduce wasteful security costs in a world with no Soviet threat—a subject that has already been mentioned. Will he concentrate on real threats to the national security, or will he seek new missions to justify old budgets? Will he tell the American people how much of their tax money is spent on intelligence? This Committee has spent some time, at my instance, on the question

of sharing with the American people what we spend on intelligence. And although every TV station in the country reports on what we spend on intelligence, for some reason some in the Congress and some at the CIA are unwilling to share the facts with the American people. I think the American people can be trusted. I don't think there is anything very secret about the intelligence budget total, and my own feeling is the more the people have a chance to know what their government is doing and what their government is spending, the better does our government operate.

Will Mr. Woolsey reshape the Intelligence Community to do away with wasteful duplication? And does he have plans for revitalizing intelligence analysis and making it valuable to policymakers in a world where there is so much that is going on and so much that is available, whether it is through the TV stations or fax machines or ever-changing crises? There are no easy answers to most of these questions, but the American people will expect the nominee to find the answers and to take the necessary actions.

I look forward to hearing what the nominee has to say. I have already discussed with him some questions I have with respect to some of his previous associations. I am satisfied that the nominee has a sense of integrity and concern for public appearances and that we will be able to work out those questions.

Thank you, Mr. Chairman.

Chairman DECONCINI. Thank you, Senator.

The Senator from Rhode Island, Mr. Chafee.

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

Before we start, I want to welcome Ambassador Woolsey, whom I have had the privilege of knowing for many years and have a great deal of respect for. I would like to join in the tribute to his predecessor, Bob Gates, who I think did an excellent job. We had the privilege of working with him for a couple of years now, and of course the years before that, and I think our Vice Chairman's comments about Mr. Gates were very, very fitting. And indeed, I remember the article that our nominee wrote on behalf of Mr. Gates in September of 1991, an excellent article in support of Mr. Gates. I am sorry it didn't persuade our Chairman and Senator Metzenbaum, but nonetheless, it was a very, very good article.

It seems to me that our nominee comes here with a lot of qualifications, and one of the best qualifications he has is he has been a consumer of intelligence in the posts that he has previously had, and that gives him a good insight into what is needed in this Community.

I would also like to quote from that article in which he wrote as follows: "At a time when substantial changes will have to be made in the Intelligence Community's mission and structure in the face of tight budgets," and here is the key part, "the only kind of leadership that makes sense is the tough and experienced variety—a Director of Central Intelligence who both has enough backbone to make hard decisions about pruning and refocusing big staff and expensive programs and knows what needs to be done and how to get it done." Those are qualifications that I believe you meet and certainly they are goals you will have to strive to achieve.

So I am delighted in the nomination, Mr. Chairman, and appreciate this opportunity to say a few words.  
[The article quoted from follows:]

## Save the CIA, Confirm Robert Gates

By R. JAMES WOOLLEY

The hearings that begin today on the nomination of Robert Gates to serve as director of central intelligence coincide with a period of flux in international affairs and hence in the requirements for intelligence.

The Soviet Union is dissolving, to be replaced by an entity whose legal structure is uncertain but whose level of armaments is still staggering. The proliferation of chemical, bacteriological and nuclear weapons—and ballistic missiles to carry them—continues apace. A future almost certainly looms containing modern-day Barbary Pirates armed with weapons of mass destruction. The economic challenges from Germany, Japan and others create a need for usable economic intelligence among American companies.

In this period of change for the intelligence community there seem to be two types of reaction to revolutionary developments. Both of them are wrong. One ("don't just do something, stand there") has its principal locus in the intelligence bureaucracy, as heads of offices and sponsors of current programs scurry to protect claims and funding. The other ("don't just stand there, do something") finds its home principally on Capitol Hill and among pundits, where there is no penalty for proposing arbitrary changes—e.g., abolish the Central Intelligence Agency, replace the director of central intelligence with an intelligence czar in the White House, cut the intelligence budget.

### Everything on the Table

Radical reorganization and funding changes may be called for, but first there should be a reasoning process relating needs to resources and structure. Closing down the CIA and starting over because the CIA was born during the Cold War is just as reasonable as it would have been to close down the U.S. Navy at the end of the 19th century because it was spawned by the American Revolution.

What is needed, first, is a careful assessment by the executive branch and Congress together of what the country's new

intelligence needs are, and how they can best be met. Everything should be on the table. Some high-technology collection systems may now be wrongly focused; but many may have an important new role in the search for proliferating weapons of mass destruction. Some redundant analytical staffs may need purging, but other redundancies have real utility.

For example, by all accounts the officials who were responsible for turning of military movements in general last summer were far more acutely attuned to the threat from Iraq than those who were responsible for the Mideast region. Having two views of the same problem from different perspectives can be invaluable.

All such readjustments require careful judgment and a systematic matching of core needs to existing intelligence assets

Robert Gates holds long suits in toughness, ability and experience. He should of course be questioned closely and thoroughly in the hearings about his plans for the intelligence community and his background as an intelligence official—e.g., how he has dealt in the past with such problems as attempts to politicize intelligence. But Mr. Gates's professional experience—years as an intelligence analyst and manager—make him almost uniquely suited to restructure the community and its programs effectively. His three years as deputy national security adviser—i.e., as a major consumer of intelligence and policy maker—give him an invaluable perspective on what users of intelligence need.

Mr. Gates will face the important threshold question of whether he misled

*In the absence of contrary evidence, there is no reason to assume that even if Casey and one or more subordinate officials knew of the diversion, Gates must have as well.*

before paring down can begin and before reorganization can make sense.

Reorienting intelligence assets to deal with these new needs is a matter of some urgency. Those who are busily proliferating weapons and the foreign competitors who are playing hardball with American companies can't wait while the U.S. tangles itself up in lengthy disputes between Congress and the Executive about the nature and scope of intelligence reform. The intelligence community needs to be able to function while it reorients itself.

At a time when substantial changes will have to be made in the intelligence community's mission and structure, in the face of tight budgets, the only kind of leadership that makes sense is the tough and experienced variety—a director of central intelligence who both has enough backbone to make hard decisions about pruning and refocusing his staffs and expensive programs and knows what needs to be done and how to get it done.

Congress in 1986 about having no knowledge of the diversion of Iranian arms sale funds to the Contras. Senators will and should question Mr. Gates and other witnesses closely on this point, but thereafter they should move on to decide whether they believe Mr. Gates. Either there will be evidence to contradict him or there won't be; if there is, each senator should be able to decide if that evidence is more credible than Mr. Gates's word.

In the absence of contrary evidence, however, there is no reason to assume that even if William Casey and one or more subordinate intelligence officials knew of the diversion at the time, Mr. Gates, as Mr. Casey's deputy, therefore must have known as well. Some reporters and commentators have assumed this, doubtless captivated by their one "visual" on this story: a CIA organization chart.

In the first place, the best witness on whether Mr. Casey routinely shared all matters with his deputy will be another

who served as Mr. Casey's deputy, retired Adm. Bobby Inman. Adm. Inman, it should be noted, is widely and accurately regarded as a man of integrity, and he is a supporter of Mr. Gates's nomination. Moreover, for a cabinet member or head of a government office to have his deputy ignore some issues and concentrate on others is not a Casey-esque idiosyncrasy. It is more the rule than the exception.

The degree of congruence between the responsibilities of the head of a major agency and his deputy is a question of the way busy people allocate their time, given their backgrounds and those of their subordinates. Some deputies are full alter egos. Many others are not.

### Baker's Chain of Command

To take only one current example, James Baker and Richard Cheney each has a very able deputy who works on a host of important issues, but neither of the secretaries' deputies is normally involved with arms control. In this area, Mr. Baker dealt directly with Undersecretary Reginald Bartholomew (not through his deputy, Lawrence Eagleburger), and Mr. Cheney works directly with Senior Defense Department officials Paul Wolfowitz and Steve Hadley (not through his deputy, Donald Atwood). If an important irregularity related to arms control arose today, would Mr. Eagleburger or Mr. Atwood know about it soon? Quite possibly not—because they are dealing with procurement, budget, personnel, the Mideast, the Balkans, etc., instead.

Once each senator hears the available evidence and makes his decision about Mr. Gates's credibility on the diversion issue, then—based on Mr. Gates's other testimony about his background and plans—the Senate should vote. The intelligence community needs strong leadership soon. The Senate owes the country a prompt decision on this important matter—not rumination.

Mr. Woolley, former U.S. negotiator for the Conventional Armed Forces in Europe Treaty (CFE), practices law in Washington.

Chairman DECONCINI. Thank you, Senator Chafee.

I concede it was a great article, Ambassador Woolsey. Didn't persuade me, but it was a very well written article.

Next we will hear from the Senator from Ohio, Senator Glenn.

Senator GLENN. Thank you, Mr. Chairman. I didn't know we were going to get into our budget debate here this morning, but obviously we are involved in it already.

I join my colleagues welcoming Mr. Woolsey this morning. I have known him for a couple of years. I think he'll be an outstanding Director of Central Intelligence. I don't have any doubt at all he is going to be overwhelmingly supported by the Senate and we look forward to working with him out at Langley.

As already has been brought up here this morning, I think one of the major issues we have to face is the resource problem, the dollar problem. With the end of the Cold War and significant reductions in defense, the pressure to make significant reductions in intelligence is not only upon us, it is going to persist for years to come. How we can downsize in a reasonable and responsible manner—reasonable and responsible, if that can be done, and still keep a robust and effective Intelligence Community is a big problem.

I think the need for intelligence collection assets increases instead of decreases with the situation we are in now, 15 places that we have to monitor instead of the Soviet Union, things like that around the world. We have proliferation of weapons of mass destruction—already mentioned; trade and foreign economic developments; environmental change; drug smuggling; terrorism; low intensity conflict in the Third World; illicit export of high technology items; all these fall to varying degrees within the CIA's oversight.

Yet with the end of the Cold War, some have argued that it is safe to even more drastically decrease the intelligence budget and significantly reduce our intelligence capabilities. I just disagree with that completely. I think we are in an unprecedented time, enormous change and uncertainty. I think our need for a better intelligence, a more robust intelligence budget, is greater than ever before. As we cut our military, we need two things, and that is to have the best technology base and the best intelligence base if we have to rebuild again. And a reminder that World War I was the War to End All Wars, and we know how many times we have been up and down the defense hill since that period of time. And so I just don't think that we can afford to have any but the very finest intelligence capability we can have, and I so voted last year as Members of the Committee may—I see David Boren nodding his head. I was a dissenter on the budget last year, not that I didn't want an intelligence budget—I wanted it bigger than we were voting for it last year. So I don't think this is a time to really be cutting back to the—in a major extent, and I would appreciate Mr. Woolsey's comments in these areas once we get into the question period.

Thank you, Mr. Chairman.

Chairman DECONCINI. Thank you, Senator Glenn.

The Senator from Indiana, Senator Lugar.

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

Mr. Woolsey, you have already heard the initial refrain that our world is a dangerous place, and the need for more intelligence as-

sets, and at the same time a bipartisan recognition that the deficit is very large. I am delighted that you have been nominated, because you have been a person who has built consensus consistently throughout your career. You have negotiated skillfully with the nations of Europe the CFE-Treaty on behalf of our nation, a remarkable treaty, and the fruits of those labors may very well be enhanced by the position that you will shortly hold.

I am pleased that you have had service in the Department of the Navy, as has been mentioned by our colleagues who have also served in that capacity. And finally, I would just say that you bring to all public service a sound logic, a good legal mind, a sense of realism, and yet idealism. I look forward to supporting your nomination, and I am very pleased that you are here before the Committee this morning.

Chairman DECONCINI. Thank you, Senator Lugar.

The Chair is going to call on Senators by the time they showed up, so the next Senator would be the Senator from Louisiana, Senator Johnston.

Senator WARNER. Mr. Chairman, would the Senator yield for just a minute.

I would like to observe that Senator Lugar returns to this Committee after having served on it in the initial life of the Committee for eight years. Likewise the Senator from Wyoming served eight years. The Committee as a whole is grateful to these well-experienced Senators for returning to this Committee.

Thank you.

Senator CHAFEE. Mr. Chairman, I would also like to add that we have an extraordinary array of Rhodes Scholars here today. It seems to be a Mafia that has suddenly taken over the Administration. And as I watched Senator Lugar praise Mr. Woolsey, I thought there was a connection there.

Senator JOHNSTON. It's called the "Old Boy Network."

Senator CHAFEE. That's right. I don't know what the secret grip is, but—[General laughter.]

Chairman DECONCINI. Senator Johnston.

Senator JOHNSTON. Mr. Chairman, thank you.

I don't know of any time in our country's history where it is more important to have a man of trust, experience, and judgment in this position than today, because today national security is colliding with Social Security, in a very real sense. I mean, just on the way in this morning I was reading about Social Security COLA's being proposed to be cut and how that was totally unacceptable, where on the other hand, others were arguing that we ought to be cutting the defense budget and the intelligence budget.

Now, in that kind of situation, that kind of ideological debate, there is never a time when we need someone like Jim Woolsey to help us judge these titanic issues. And I hope and I expect and I know that Jim Woolsey will act less as a cheerleader and more as a judge, because I can say I have great confidence in Jim Woolsey. I don't think we have ever had a man of his demonstrated competence and experience and where we know what he stands for—he has told us over and over again in over a hundred articles what he believes. And that is fortunate, because we won't be taken by surprise.

But I, for one, Jim, want you to know that I am going to be depending upon you for many of these judgments. That is what we do around here, we pick our people and sort of rely on them, and I expect to be relying upon Jim Woolsey and your judgment, and I do so with great confidence.

Thank you, Mr. Chairman.

Chairman DECONCINI. Thank you, Senator Johnston.

The Senator from Montana, Senator Baucus.

Senator BAUCUS. Thank you, Mr. Chairman.

Mr. Chairman, I am very proud of Mr. Woolsey. We went to college together. I have known him for some time, and I am not at all surprised with his rise to his present position and with all of the jobs he has had before coming to this position.

I have several concerns about the future challenges for intelligence, and I think we all basically share them. Number one, in this post-Cold War era, with the world fragmenting, with the rise of ethnicity and with the rise of religious fundamentalism in some parts of the world, the challenge is in some ways much more difficult, it is much more complex, and it requires a lot of new energy and new creative ways to deal with these changes. As we look at the Intelligence Community, and the CIA in particular, we must understand now we deal with all of that and what assets we use in which ways.

Number two, I frankly believe it is not only the rise of trouble spots in the world and other issues such as nuclear, chemical, and biological technology transfer or utilization, but it is also a more complicated world because of the rise of new economic and environmental interrelationships. I think the real challenge for this Committee, for you, Mr. Woolsey—and for the Intelligence Community and the country generally—is how to utilize better our intelligence capabilities to cope with this new reality in all of its dimensions. It very well may be that, as the Senator from Ohio said, we may have to devote more resources to address some of these problems.

But I think it is not so much a matter of dollars. I think it is more a matter of trying to find ways to use information that we gather to persuade other countries to take a greater role in coordinating a more common worldwide effort to control, for example, missile technology transfer, or nuclear technology transfer, or even in the areas of economic intelligence or environmental intelligence. I don't know quite exactly what the answers are, but it does seem to me that we have an obligation to try to find better ways to address all of that in this new era.

I am particularly interested in the question of economic intelligence. It is a very troublesome question, one that I think our country has to grapple with and adopt some definite policy on. Even less clear is the role of environmental "intelligence" and how that should be utilized. But as you know, the world is changing and we've got to deal with the changes and be ever more creative as we continue to deal with them. And I feel very confident, Mr. Chairman, that Mr. Woolsey is up to the task as much as anyone possibly could be.

Chairman DECONCINI. Thank you, Senator Baucus.

The Senator from Nevada, Senator Bryan.

Senator BRYAN. Thank you very much, Mr. Chairman. Let me join my colleagues, and welcome you here this morning. I congratulate you on your nomination, and assure you that you will have my support for this position.

You bring an impressive resumé of public service to your new task, as well as a wealth of experience as a consumer of intelligence information. I am going to be interested in discussing with you, both during the open and the closed session in more detail, the conversation that we initiated yesterday in my office in terms of what your priorities are going to be, what changes you see are necessary to be made in the Agency itself, and particularly your emphasis and your thoughts on the challenge that we face in those former republics of the Soviet Union that are being buffeted by the tides of Islamic fundamentalism. It seems to me that this is a region of the world that we need to focus a great deal of thought and attention to, and I'll look forward to hearing your thoughts on these issues as well as others. Again, I congratulate you.

Thank you, Mr. Chairman.

Chairman DECONCINI. Thank you, Senator.

The Senator from Wyoming, Senator Wallop.

Senator WALLOP. Thank you, Mr. Chairman.

Let me add my voice, Jim, to those who are pleased by this nomination. My experience with you leads me to believe that you would agree that the things that threaten us have not disappeared. The intentions may be less hostile, but the capabilities to cause harm and to issue threat still exist. If you are to judge, as you have been told you should, these titanic issues, as the Senator from Louisiana called them, it seems to me that we must provide you the necessary support in order to make judgment. It is not good asking you to judge on the basis of things that you don't know. And I would say from my perspective that if we are not ahead of the curve, we are going to be behind it. If we're not on the cutting edge, we're going to be under it. And in this world what you don't know can hurt you and probably will.

And one of the reasons I am confident in your presence here is because I believe you have the ability to make difficult judgments and are not afraid to issue them.

Thank you.

The Senator from Florida, Senator Graham.

Senator GRAHAM of Florida. Thank you very much, Mr. Chairman, and I appreciate the opportunity to serve on this Committee and to participate in this confirmation hearing of a distinguished American.

My newness to the Committee will contribute to my brevity of comment, because I don't want to overstate. I do believe that the basic question that we have got to collectively grapple with is what is the role of intelligence in the post-Cold War era. We had a fairly well understood definition of its role for 45 years now. What's going to be its role in the future is our challenge.

Without prejudging the answer to that question, an answer that I anticipate Ambassador Woolsey will play a significant role in leading us towards, I would suggest that some of the characteristics of the Intelligence Community in the post-Cold-War era will be less clandestine; that there will be a greater need to share the edu-

cative process with the American people and with the international community; that it will be more diverse, focusing particularly on environmental and economic issues that have previously been beyond its principal areas of activity; that there will be an increasing need for human intelligence as distinct from machine-driven intelligence; and that one of the principal areas of that will be in the former Soviet Union where we have a tremendous need to understand what is happening and what the implications of that will be for the United States and the rest of the world.

I look forward to engaging in that consideration of the future of the American Intelligence Community and I don't think we could be better led in that effort than we will by Ambassador Woolsey.

Chairman DECONCINI. The Senator from Massachusetts, Senator Kerry.

Senator KERRY of Massachusetts. Thank you, Mr. Chairman, I, too, appreciate the opportunity to join this Committee. And I will just be very brief.

I appreciate the visit that we had, Mr. Woolsey. I think you come, as my colleagues have all said, with significant qualifications for this job, and not the least of which, I might add, is the fact that you have been an intelligence user during most of your career, not necessarily a provider, and certainly not part of the CIA itself. And I think you have had an opportunity in that capacity to measure some of the shortcomings as well as some of the needs, and that is very important in this age.

I have come to this Committee with probably more contact with the CIA in non-Intelligence Committee roles than some other Members, and I must say to you that it has not been all on a positive side. And I come with a lot of concerns on how we are going to work out an appropriate relationship between this organization, which we all feel is critical to our intelligence gathering capacity. But I worry about the BNL relationship and the way in which those documents were so slow to be provided to the Justice Department or to this Committee. I worry very much about the lack of follow-through on things like BCCI and general money laundering and narcotics efforts around the world.

The preoccupation of the years of the Cold-War with the Soviet Union obviously saw us understand the military capacity of the Soviet Union, but I share Senator Moynihan's perceptions and others that there was really a gross—just a gross avoidance of the realities of what was happening in that area on an economic and political scale, which is part of intelligence gathering, and the military judgments cannot and should not be made outside of that other input which was so lacking, frankly. I think that cost this country billions of dollars and enormous risks, and it is something of concern when there is a relationship between a client agency and its proprietor that somehow departs from what the expectations of a free people in a democracy ought to be, and I think it did in that course of time.

So I think there are some very significant issues on the table in the post-Cold-War period about the proper relationship of this Agency to the Congress, to the American people, and to the world. What is the nature of economic intelligence gathering? What will be the proprietary relationship of that information gathered to our

free corporate entities in this country and how does that information get into their hands? These are going to raise enormous issues, obviously, and I think you are the right person to help us work these issues out as we grapple with them and try to understand what their proper relationship is going to be.

I was a witness in the trial against the former Deputy Director at the Agency, Mr. Clair George. I didn't take pleasure in it. I wish I hadn't had to do it. I don't think anybody takes pleasure in seeing any public servant who thinks they are doing duty to their country brought before the justice system of the nation.

But on the other hand, this institution should not be lied to. And it was, repeatedly. When we are not lied to, we have often been played cute with. People sent up here to brief us who are known by the Agency not to have the information we seek. People who even when they are answering questions from us, answer questions sufficient to, quote, "get by," but knowingly not sufficient to provide the information that they have. That is also an unacceptable relationship between an agency of a free people and the institution that represents those people.

So I look forward to working constructively to provide our country with the best intelligence we can have. I believe we do need covert operations. I support the effort. But there must be a better understanding of who represents whom and what the relationship properly ought to be and I look forward to your helping us to define that.

Chairman DECONCINI. Thank you, Senator.

The Senator from Nebraska, Senator Kerrey.

Senator KERREY of Nebraska. Thank you, Mr. Chairman.

Ambassador Woolsey, you may have noted earlier that I am not a Rhodes Scholar, and in fact many people in Nebraska wonder how it is possible for me to serve on any Committee called the Intelligence Committee. [General laughter.]

I join in welcoming you here today and in my praise for you today as has already been spoken of by my colleagues. You have received, I know, some initial guidance from President Clinton about his requirements for the Intelligence Community. I should make clear my belief that he, and not we here in Congress, will be your boss, and that is how it ought to be. Our job is to authorize the money and oversee how it is spent.

But each of us brings to that job, as you have already heard, some priorities and preconceptions about what the Intelligence Community ought to be doing, and I would like to briefly share with you this morning some of mine.

I would declare at this juncture that I read and would recommend to other colleagues on the Committee, former head of Central Intelligence Mr. Gates' admonition in a speech he gave the World Affairs Council last Fall in which he not only identified problems that very often occur between authorization and appropriations, problems that I must say I heard the distinguished Senator from Indiana speak very eloquently of earlier this year, but also called upon the Members of this Committee to put in the time required to become familiar with the budget, put in the time required in order to be able to do the job that is required of us on this Committee. His observation was that very often after opening state-

ments are made, very often after we get a little photo opportunity done—and I must say, I have been guilty of it a time or two myself, that in the aftermath it was Senator Boren as Chairman and Senator Murkowski as Ranking Member who very often did all the work.

Ambassador, first and above all other objectives, it seems to me that it is appropriate to bear in mind that the purpose of Intelligence Community is to keep the United States warned far in advance about the external threats that could take away our freedom, that could kill our people, or diminish our prosperity. If you ever lack the resources or the authority to do that job, I expect you to come immediately to this Committee.

Second, and as a direct corollary to that all important mission in this uncertain, increasingly chaotic and conflicted world, I expect the Intelligence Community to be able to tell the difference between the problems that truly threaten the United States and those that do not, troubling though some of the latter may be for us as sympathetic human beings. Once you make that distinction, you must tell the President and, through the intelligence product which the Committee receives, you must tell us.

You have already heard this morning there will be a significant amount of disagreement as to what is urgent and what is important. I suspect that will be the primary focus of our debate.

But having made this distinction between what threatens the United States and what does not, as new problems arise, you will be able to apply collection priorities that unquestionably save some money, and I do expect you to lead the Intelligence Community through balanced, measured reductions in budget and personnel.

But I do not want to be misunderstood. I will fight to make sure that Congress appropriates whatever is needed for the intelligence agencies to do their part in keeping our country free, our people alive and safe, and our economy prosperous. But beyond that mission, we need to cut our spending in the national security accounts, including intelligence.

Third, I expect you to be innovative in finding new ways for the Intelligence Community to benefit America. Two ways that come to mind are more broadly sharing information and technology with the public. Information gathered by our intelligence agencies can be tremendously useful in research in environmental damage, climate change, health trends, economics, and many other subjects.

Your writings show that your informed awareness of these topics will be useful. I hope that under your leadership we will see such information flowing in much greater volume to the non-governmental laboratories, universities, and businesses that could use it.

Further, the Intelligence Community leads the nation, leads the world, in several technologies. For example, data manipulation, storage and transmission. I have already had the pleasure to visit the men and women who serve us at the Defense Intelligence Agency, at the National Security Agency, and I must say to my colleagues that I am enormously impressed with the capability and consider this to be the crown jewels of our intelligence capacity.

I urge you to evaluate how to get this technology into the marketplace and how it could enrich our people's lives. There may well be some cases where the technology or its product would be com-

mercially sold. The American people paid a lot for the technology to be developed. They get payoff from it every day, because the country stays free and forewarned. They would get additional benefit if the technology could flow into the industries where they make their careers, into their schools, into their homes. This is more the job of the market than it is of your's, but I believe, Mr. Ambassador, that you could help nudge it along.

Mr. Ambassador, once again, I look forward to working with you and I look forward to your testimony this morning.

Chairman DECONCINI: The Senator from Alaska, Senator Stevens.

Senator STEVENS. Mr. Chairman, I had the privilege of serving with the Ambassador in Geneva on many of the occasions when he contributed to the bipartisanship of our approach to arms control negotiations. I consider him a friend. Were it not for the fact that the Senator from Oklahoma and Maryland were there, I would ask the privilege to introduce him. I commend him to you and thank you for the privilege of making a comment this morning.

Chairman DECONCINI: The Senator from Washington, Senator Gorton.

Senator GORTON. Mr. Ambassador, I hope that you will be pleased rather than insulted when I say that perhaps I don't have quite so high a set of expectations of what you can accomplish in a short period of time as has been evidenced by some of the other statements here earlier. As I understand, you are to preside over a dramatic decrease in the amount of money and other facilities available for your task, but do a far better task than has been accomplished in the past. I hope that that may be the result of your tenure in this job, but I think that you are going to find that challenge extremely difficult.

I want to say that in our brief acquaintance I have been very positively impressed with your enthusiasm and dedication and knowledge of knowing what to do. But perhaps from the perspective of this Senator, first and foremost among all your duties, as you look to smaller budgets, will be a redefinition of what the appropriate functions of the Agency are and whether there are not both functions which it is engaged in at the present time, which could be better carried on by less secret enterprises, and perhaps some expectations which have been expressed here and elsewhere in what the CIA ought to do that can better be carried on either by other government agencies or by the private sector. And that redefinition, I believe, is going to be at the heart of your tenure in an agency to which I believe the American people owe a great debt of gratitude for the work of which has contributed significantly to the end of the Cold War, to the dramatic change in the kind of challenges with which you are faced. And I, for one, will be satisfied if the CIA in the future does as good a job as it has done in the past.

Chairman DECONCINI: The Senator from Missouri, Senator Danforth.

Senator DANFORTH. Mr. Woolsey, congratulations. I noticed in the morning paper that in a previous job when you were with the Defense Department, you tried to kill the F-18. So I can say that

I am glad that you have been nominated for this position rather than Secretary of Defense. [General laughter]

I think you are a great choice for this particular job and I congratulate you.

Chairman DECONCINI. So the Committee will know, we are going to proceed here until 12:30, with five minute questions rotated. We will come back at 2:15. If we still have questions for the public hearing, we will continue the public hearing. Upon the finishing of the public hearing, some time this afternoon I would like to commence a closed hearing. I don't know what time that will be. I do ask Members to come at the beginning of the closed hearing because we will have a vote, not on this subject matter but on another subject matter that your staff or someone here can apprise you of approval of a program, and we do ask that a quorum be present.

Mr. Woolsey, I am very pleased you are here, and to make the record straight, unless those who are sponsoring you here criticize you in some way, I intend to vote for you. You have a long legacy of service to this country and indeed, have an opportunity to do some outstanding things for this Intelligence Community and for our nation.

I am particularly pleased this morning that Senator Boren is with us. The Committee enjoyed his leadership and Chairmanship for six years, longer than anybody else has lead this Committee. He was a constant workaholic almost in intelligence matters. He built consensus. He was able to bring about a substantial reduction in the Intelligence Community's budget. He played even a role when it got into the appropriation process which I sat in on. And he was there when it was necessary to argue in favor of keeping some funds and also in favor of reducing the funds. So I am grateful to his leadership and I feel that the shoes that he has left with me are far bigger than I can possibly fill, but I remember working with him and will do the best I can to work in the same spirit.

I am also grateful for the leadership of the Senator from Maryland, who is an expert in a number of areas, but certainly in foreign policy. He has advised the Senate on a number of occasions in a very cogent manner of cautiousness and yet willingness to proceed with some risk in foreign policies.

And Congressman Hoagland from Nebraska is a newer Member of the House, but has set a record there in his hard work and diligence, and these gentlemen certainly stand you well before this Committee.

And I will now yield to the former Chairman, Senator Boren.

Senator WARNER. Mr. Chairman, could I just note that I wish to associate myself with your remarks with respect to our colleagues who are here today, and particularly our former Chairman. The parting remarks of Director Gates at the Members of this Committee for not involving themselves more deeply certainly did not apply to you. You were a hard worker. And at long last we have the opportunity to express our appreciation through putting you on the other end of lengthy opening statements. [General laughter.]

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

Senator BOREN. Thank you very much, Mr. Chairman and Vice Chairman, I think. It does seem strange to be on this side of the table. But it is a great pleasure to be with you this morning and I appreciate your kind remarks very much. And let me say, as I look up and down the table this morning and see the new Members that are also joining you on this Committee, it gives me great pleasure to see that our two leaders have appointed people of such stature and ability to this Committee, and it gives me great pleasure to see our Chairman and Vice Chairman carrying on what I think has been a very worthwhile tradition in this Committee of public service.

I am here today to keep a commitment that I think we wisely made. Ambassador Woolsey began his negotiating skills very early, and when we were 22 years old, we negotiated a pact together, and that pact was that if either one of us ever were fortunate enough to be nominated for any position, the other would appear in his behalf and tell only the good things that we knew about each other.

This is the second time that I have had a chance to redeem that pledge. I was able to present him and introduce him when he was before the Senate for confirmation to be our Ambassador and U.S. representative to the negotiation on Conventional Forces in Europe, and I have this privilege of being here to make that presentation and redeem that pledge again today.

As I look back on my service on this Committee, especially the six years that I was privileged to serve as Chairman with the two outstanding Vice Chairman in Senator Cohen and Senator Murkowski, I think the thing that makes me most proud is the fact that in those six years we never once had a party line vote on the Committee—not a single one. We did not try to follow party labels. We had a unified American staff for the Committee. And we sat and worked together until we reached a consensus, and that was not always easy to do because we have always had divisions, as we have heard expressed today, in terms of budgetary priorities, amount of resources that will be needed to do this job. But we were able to reach consensus in the national interest on nearly every occasion. And out of hundreds of votes I can count on one hand the number that even had any split decision whatsoever, and as I said, it was never on a party line basis.

I believe that the person who has been nominated by the President to be Director of Central Intelligence is uniquely qualified to work with this Committee in carrying on that tradition. And it is a tradition that is very important, especially as we deal with the most sensitive matters of national security.

As we have heard from the opening statements, he is a person who is uniformly highly regarded on both sides of the aisle. He has demonstrated his willingness and ability to perform public service for our country in Administrations of both parties. He has served under the last two Administrations, as has been said, as Ambassador to our negotiations on the Conventional Forces in Europe reductions. And I might point out, highly effective. It was only three days after he arrived in Vienna that the Berlin Wall did go down. So he obviously has a record of great achievement and success.

He served in the Carter Administration as Undersecretary of the Navy, and in that capacity oversaw Naval intelligence operations.

He served here in the Congress as General Counsel to the Senate Committee on Armed Services and again was widely regarded by those on both sides of the aisle. And earlier, he served as advisor to our U.S. delegation to the Strategic Arms Limitations Talks, the SALT I talks.

So he has an outstanding record of service to our country. He has been on the President's Commission on Defense Management, as well. He has a great understanding of weapons systems, and as we look toward the issue of weapons proliferation as being one of the major threats that I think we face and one of the major challenges facing the CIA, the Intelligence Community, and indeed, this Committee, he is uniquely qualified and brings real expertise to the task of monitoring and hopefully helping to reduce arms proliferation around the world.

He is exceedingly well educated. I am proud to say that he started in the public schools of Tulsa, Oklahoma. He then went to Stanford University, where he graduated Phi Beta Kappa, and with great distinction. It was at that point that our paths crossed as we both went to represent Oklahoma at Oxford in 1965. He received his masters degree from St. Johns College at Oxford, then returned to the Yale Law School where he became managing editor of the Yale Law Journal.

He has not only performed public service. He has also been very active as a citizen, giving of his own time to worthy causes. He has been a trustee of Stanford University, he has been a trustee for the Center for Strategic and International Studies, trustee of the Goldwater Scholarship Foundation, and also a regent of the Smithsonian Institution.

So in Jim Woolsey we have a person of absolute and complete integrity, a person of immense ability, and a person who really puts the national interest first, and above all sets aside partisan politics or ideological considerations to try to reach a reasonable approach, and one which truly serves the national interest.

He has a very fine family. He is married to Dr. Sue Woolsey, a very distinguished citizen in her own right, and they have three wonderful sons, Robert, Daniel, and Benjamin, who are all here today.

Let me simply say there are very few people for whom I have as much regard, either as a person, or in terms of their ability to perform public service that I have for my long time friend and my colleague, Jim Woolsey. We are very proud that he is from the state of Oklahoma, that it is his native state. And I can only say that we have heard the opening comments today, very favorable comments about this nominee, and I am convinced that as you have an opportunity to work with him in the months and years ahead, your feelings about him will be even stronger and even more positive than those extra-ordinary positive comments that have been expressed today.

So Mr. Chairman, again it is a privilege to be before you. I have great confidence in your leadership of this Committee and your colleagues, and it is an honor to present this nominee.

Chairman DECONCINI. Thank you, Senator Boren, very much.

Senator Sarbanes.

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

Senator SARBANES. Thank you very much, Mr. Chairman and Members of the Committee. I am pleased to be here today with my colleagues, with Senator Boren and Congressman Hoagland, to present Ambassador Jim Woolsey to the Committee.

I don't have one of these reciprocal pacts that Senator Boren made reference to, and therefore I can sort of lay it all out here. I have known Jim Woolsey for many years, and as a Member of the Senate Foreign Relations Committee and the Senate Arms Control Observer group, I have had the opportunity to work closely with him in several of the important positions that he has held. Jim Woolsey is a person of integrity, a straight shooter, a person of keen intelligence and of strong character. A real problem solver, he is one of our nation's distinguished public servants, and I commend him to you for this very important assignment as Director of Central Intelligence.

As Dave Boren alluded, he was educated at Stanford, at Oxford, at Yale Law School. He served two years in the Army just after law school. On leaving the Army as a captain, he joined the National Security Council staff for a brief stint, and then went on to be the General Counsel for the Senate Armed Services Committee for some three years.

He then went back to the private practice of law with Shea & Gardner, the firm of which he is now a partner. And in 1977, he was appointed Undersecretary of the Navy by President Carter. Confirmed by the Senate for the first time, I think he justified the trust and confidence we placed in him by an outstanding record as the number two civilian leader of the Navy at a time of great change.

He returned to private practice in 1979, but again undertook public service in 1983 as a delegate at large to the U.S.-Soviet Strategic Arms Reduction talks, the START talks and the nuclear and space arms talks in Geneva.

His most recent major public assignment was a chief American negotiator at the talks on conventional armed forces in Europe, the CFE Talks, in Vienna, from 1989 to 1991, with the rank of Ambassador. He was responsible for completing one of the most far reaching multilateral arms reduction treaties of modern times, a major achievement and an historic recognition of the changed circumstances in Eastern and Central Europe.

With the implosion of the Former Soviet Union and the demise of the Warsaw Pact, the national security challenges facing our nation have changed dramatically. The task of the new Director of Central Intelligence will be to face these changes boldly and to shape the future direction of U.S. intelligence efforts.

While Jim Woolsey has not served in the Central Intelligence Agency, Ambassador Woolsey has worked closely with all our intelligence agencies, and indeed more broadly, he has worked closely with all of our foreign and national security policy institutions. In my judgment his entire career of public service has prepared him for this responsibility, and I am very pleased to have the oppor-

tunity this morning to appear before the Committee to speak on his behalf.

Chairman DECONCINI. Thank you very much, Senator Sarbanes. Representative Hoagland.

**STATEMENT OF HON. PETER HOAGLAND, A REPRESENTATIVE  
IN CONGRESS FROM THE SECOND CONGRESSIONAL  
DISTRICT OF NEBRASKA**

Representative HOAGLAND. Well, thank you Mr. Chairman, Senator Kerrey from Nebraska, and members of the Intelligence Committee. I am a Member of Congress from Nebraska beginning my third term, and I am deeply honored to be here today to be able to support the confirmation of Jim Woolsey for Director of the Central Intelligence Agency, because I have had the opportunity to know and observe Jim for so many years and have such extraordinarily high regard for his abilities and for his values.

Jim and I came to know each other as we were both turning 18, the beginning of our freshman year in college, when we lived on the same floor of the same dormitory. Jim had just arrived from Tulsa, Oklahoma, and he came to college with such enthusiasm and with values and with extraordinary energy. I mean, I remember he was involved in so many things, and was always learning and working on projects until so late at night. I would wager that a majority of those hundred articles that he has written were written some time between 10:00 p.m. and 1:00 or 2:00 a.m. He had a capacity for doing things late at night that was always very impressive.

And during our undergraduate years, I watched him excel in so many things. I mean, these may seem like small things, but I can remember how skilled he was as president of our freshman dormitory in conducting his meetings. I remember he led an effort—Senator Baucus may recall this—he led an effort to rewrite the student constitution in college. And he had a brilliant academic record. I can remember even our freshman year at the dormitory dining table he would regale us with all the intricacies of foreign policy and history lessons, and those skills carried on all through his college years.

He met his very capable wife Susan, who is here today, our freshman year. And as Senator Boren indicated, they have three very fine boys.

But you know, there are things that reflect on Jim's values. He took time out of his studies, for instance, his senior year to live in a freshman dorm to care for and advise and nurture a crop of about 25 freshmen. And he won a Rhodes Scholarship, of course, but it was his job in the freshman dorm, it seems to me, that tells you about his values.

Now, Jim and I again were classmates in law school where he also, of course, performed extraordinarily well. He had very high grades. He was managing editor of the law journal. He had a wide circle of friends. And he had the respect of everybody.

Now, since law school, Jim has had a stunning series of responsibilities serving the American public. And I won't go over all of them because Senator Boren and Senator Sarbanes and others have already done that. But he was named Undersecretary of the

Navy at age 35. His most recent job as Ambassador and negotiator of the Conventional Arms Treaty in Europe was done extremely well. He has even, as you well know, served this institution—the United States Senate—as General Counsel of the Armed Services Committee back years ago, under Senator Stennis.

And believe it or not, all of these things Jim has done, we could see even back then, you know, as well as you can make these predictions about people in college and law school, but we could see these accomplishments that lay ahead for him.

Let me conclude, Mr. Chairman, by saying that Jim Woolsey is about values most of all, setting aside his accomplishment. He is about intellectual honesty; he is about maturity and balance; he is about respect for others; and he is particularly about respect for the laws and Constitution of the United States. He is someone we can trust in this very sensitive job to uphold the laws and Constitution of the United States, not just the letter, but the spirit. And these are not values that all of those who have previously served in this office have shared. He is someone we can trust not to abuse the public trust and to level with the Members of the United States Senate and House whenever called upon to do so.

So for these reasons, Mr. Chairman, I am proud to be here today with Jim and his wonderful family, and let me say how fortunate I believe we are to have his talents available.

Chairman DECONCINI. Thank you.

Senator Dole, the minority leader, regrets that he is unable to be here this morning, but he did ask that his statement be included in the record. Accordingly, his statement will be included in the record at this point as if read.

[The prepared statement of Senator Dole follows:]

Mr. Chairman: I congratulate Jim Woolsey on his nomination to be the next Director of Central Intelligence. Like most senior-level appointments, this job does not lack for back seat drivers, official and unofficial advisors and Monday morning quarterbacks.

But I think the nominee enters this job well aware of the challenges and the opportunities that it holds. Mr. Woolsey has an extensive and an impressive record of service in several Administrations, both Democrat and Republican, and has served here in the Senate as General Counsel to the Armed Services Committee. He has written and spoken frequently on national security and intelligence matters.

Therefore, his work is well known to Members of the Senate. I had the opportunity to talk with him a few days ago during a courtesy call and I believe that his education and experience have prepared him well for this assignment.

I do note that during the preparation for his nomination, there was some discussion regarding avoidance of conflict of interest concerning stock ownership and concerning foreign entities that he or his law firm have represented. My understanding is that the Office of Government Ethics and the Intelligence Committee are satisfied with the outcome of these discussions and with whatever recusals or arrangements Mr. Woolsey has made to meet ethics requirements.

Mr. Woolsey enters one of the most sensitive and important positions in our government with the word "new" facing him almost ev-

erywhere he turns: a new situation in the former Soviet Union—new relationships in Asia, Eastern Europe, Africa and the Middle East—new leadership on the two Congressional Committees with oversight responsibility for his agency and, of course, a new Administration.

The Administration has said very little about its plans for CIA and the intelligence functions within the government. Mr. Woolsey's testimony and consultations were the first real exchange of information on those subjects.

I expect that some of his efforts will advance programs or policies begun by his predecessor, Mr. Gates, and some will head in new directions. But as often as the phrase—it's still a dangerous world"—gets said, it still remains fundamentally true. The world is a much safer place now because of the historic changes that took place during the 12 years Ronald Reagan and George Bush served in the Presidency. But there are still individuals, groups and nations out there who do not wish the United States well—who do not wish freedom well—and we need a strong intelligence capability to protect what the world has gained and to foster the growth of democracy.

I know that a lot is expected of the new DCI. He will need to make intelligence functions more efficient, to look for redundancies and places to find savings without compromising effectiveness, to meet hostile challenges to our trade and economic security, to fight terrorism and support narcotics control, to help monitor weapons proliferation and to carry out dozens of other missions.

He is fortunate in that he joins an agency of dedicated men and women who have made the defense of our national security their daily work, often at great personal risk and often without the reward of public approval for their successes.

I want to assure the new Director that he and his colleagues will have my strong support to keep that mission high on our list of national priorities.

Gentlemen, if you need to proceed someplace else, I am sure the Ambassador will get along without you, he'll call you if he needs you.

Ambassador, would you please stand and raise your right hand, please.

Do you swear the testimony you are about to give to the Committee is the truth and the whole truth, so help you God?

Ambassador WOOLSEY. I do.

Chairman DECONCINI. Mr. Woolsey, you may make an opening statement, but with all the remarks you have heard here, maybe we should just vote on you. [General laughter.]

You might take a risk if you read that, but go ahead. We seriously welcome you here, Mr. Woolsey, and you may proceed for as long as you like.

#### **TESTIMONY OF R. JAMES WOOLSEY, NOMINEE TO BE DIRECTOR OF CENTRAL INTELLIGENCE**

Ambassador WOOLSEY. I appreciate it, Mr. Chairman. I am tempted to quit while I am ahead. I also recall having been a staff member for a Senate Committee and sitting back where Britt is sitting right now. What I would probably be doing right now is trying

to think of some particularly tough questions to scribble on a yellow pad for the nominee.

It does, indeed, Mr. Chairman and Members, it's a great honor for me to have been nominated by the President to serve as Director of Central Intelligence and to appear before you today.

During the Cold War we had a formidable adversary—a single power whose interests fundamentally threatened ours. A misstep or a misunderstanding could have brought unimaginable devastation upon us and indeed on the entire world. But although our intelligence task was of vital importance, it was relatively focused. Of our top ten intelligence priorities, probably well over half were variations on the theme of understanding the USSR and its workings in the world.

Today, we and our allies together with the democrats in Russia and the other nations of the Former Soviet Union and Soviet Bloc have prevailed in the Cold War. For now at least the cataclysmic risk of full scale nuclear war has receded beyond the horizon. Even less likely is the peril—once substantial—of a sudden conventional attack through the Fulda Gap by twenty-some Soviet divisions. And the Soviets reach for client states in the Third World is gone.

What do all of these mean for our intelligence needs? The answer to that is not, in my opinion, a simple one. It will require some careful study for us to begin to answer it and we will probably be revising the answer for the rest of our lives. This is because the new world we have entered is far from being clearly definable, and it cannot be characterized as precisely and as succinctly as the one from which we are emerging, the Cold War against the Soviet Union and its satrapies.

Yesterday in remarks at his swearing in, the new Secretary of Defense, Les Aspin, said the new world order is long on new and short on order. And I think that sums it up reasonably well.

Today, the nations and issues that are of serious interest to us are highly diverse, unpredictable, and largely disconnected. Thus, although the risk of a single cataclysmic threat to the United States is substantially lower than it was during the Cold War, the number and complexity of very serious threats to major aspects of our nation's security and interest have grown, not shrunk.

In many ways, today's threats are harder to observe and understand than the one that was once presented by the USSR. The proliferation of weapons of mass destruction and ballistic missiles to carry them; ethnic and national hatreds that can metastasize across large portions of the globe; the international narcotics trade; terrorism; the dangers inherent in the West's dependence on Middle East oil; new economic and environmental challenges—these and a number of other important threats to our security and our interests present intelligence problems that are extraordinary in their complexity and difficulty. And these challenges, if unmet, can decidedly affect our daily lives for the worse. Our two surrounding oceans don't isolate us anymore. Yes, we have slain a large dragon, but we live now in a jungle filled with a bewildering variety of poisonous snakes. And in many ways the dragon was easier to keep track of. You have a right to expect that the Director of Central Intelligence will take a strong lead in reorienting the Intelligence Community

to deal with this new world of, as one recent observer has characterized it, a thousand points of darkness.

I have only a few general thoughts to suggest to you today about how that reorientation might be done. As this Committee is aware, my only experience as a manager of intelligence was in the field of Naval intelligence when I was Undersecretary of the Navy from 1977 to 1979. In various other government capacities, I have been a consumer of intelligence—for example, as an ambassador and arms control negotiator; an advisor on intelligence collection systems—for example, as a panel chairman for the DCI last summer; and as a Congressional staff member with responsibilities in assisting in intelligence oversight, as General Counsel to the Senate Armed Services Committee, 1970 to 1973. But I know that I have much to learn about important parts of the Intelligence Community and its resources, programs, its operating method.

I would suggest that it's important across the board to relate the full spectrum of intelligence resources and programs to the new and continually changing sets of intelligence needs that I mentioned above. I don't believe that the importance of this work means that it will require either extensive delay or massive amounts of manpower in order for us to begin to benefit from it.

For example, based on the reviews of intelligence needs that had already been done in the National Security Council and the Intelligence Community over the previous year, my panel last summer was able to make some general but I think still useful judgments about the relationships between resources and needs for satellite collection systems. My panel's highly classified report was submitted to this Committee by Bob Gates within a few days of its completion, and I would invite the Members of the Committee who have not yet seen it to review it, to see particularly the type of approach we took in relating intelligence programs to need.

Once we have a picture of our intelligence needs across the board, and the degree to which current programs fill or don't fill them, we can proceed to see what improvements will be required and what redundancies exist. I began with a discussion of how intelligence problems may be harder, not easier, in the aftermath of the Cold War. And I firmly believe that intelligence can, among its other great utilities, be an important force multiplier for our military, and thus of increasing importance if the military itself is reduced in size. But let me stress that I am also acutely aware of the Federal deficit and of the need to bring about economies in government.

I'll mention here only one potential for economy, and that is some consolidation of the Intelligence Community's infrastructure. That in turn depends in important ways on reform and simplification of the security and highly compartmented classification system that we have inherited from the era of the Cold War. Our current security and classification system, by using a massive degree of compartmentation creates excesses, I believe, in facilities and personnel. It also runs the risk of doing a poorer job than it should in protecting the most important sources, methods, and products of intelligence.

I would make it a high priority to complete the reviews that have recently been begun of security and classification within the Intelligence Community and act on the results of those reviews.

The tragic killing and wounding of CIA employees just outside the CIA gate a week ago Monday have led us all to reflect on the great contributions by and the substantial risks to intelligence professionals. Normally the physical risks are borne overseas. But the deaths and woundings in Northern Virginia and the many memorial stars in the CIA building's lobby commemorating supreme sacrifices by intelligence professionals make another point as well. The vast preponderance of the members of the Intelligence Community work extremely hard. They sacrifice and perform superbly in the country's interest. We should do our best to ensure in our planning and budgeting that the vicissitudes of budgetary and program changes do not disrupt their lives more than is absolutely necessary and that their country shows the gratitude they deserve, recognizing that their career successes must almost always go unsung. They are the sole profession where routinely it's only failures, whether these be real or the products of fiction or diseased imaginings, that are publicized.

I close, Mr. Chairman, with a word about Congress and oversight. As General Counsel of the Senate Armed Services Committee some 20 years ago, I assisted Senator Stennis, and the other Committee Members in a number of matters related to intelligence. For example, I did much of the staff work on the Committee's investigation of the CIA's role in Watergate, and I had similar responsibilities in helping the Committee with Mr. William Colby's confirmation hearings to be DCI. I have felt for some years that a partnership between the Executive branch and Congress is essential in almost all areas related to national security and that nowhere is this partnership more vital than in the delicate, crucial, and sensitive field of intelligence. It will come as no shock for me to say that that partnership came to be quite frayed beginning in the mid-1970's.

With an understanding that if the Senate confirms me, our roles and perspectives regarding intelligence will invariably be different in important ways, I nonetheless want to conclude with one central message. Building on recent efforts to repair those frays and in the spirit of cooperation and frankness with Congress that the President has set out for all those whom he has nominated to serve in his Administration, I want to work with you to bring about a renewed partnership in providing intelligence to the United States.

Thank you, Mr. Chairman.

Chairman DECONCINI. Ambassador Woolsey, thank you very much, and that's very encouraging to this Senator that you want to work with us. That has been the case, including Mr. Gates, who did work with us. I can't say that is the case with one or two others that I have had the privilege of serving when they were DCI, in my judgment at least. I am impressed that you understand what our responsibility is and how we operate. And we will do our best from this Committee to keep it on a professional basis, and to ask you for your candid opinions. As the Senator from Louisiana pointed out, we have to rely on you to tell us accurately what is really necessary, and also what direction the Administration is going to

go in. Which is what I want to get into in my first line of questioning, Ambassador Woolsey.

Last year the Congress refused to give the Bush Administration all the funds it wanted to spend for intelligence. And it seems clear that more cuts very likely will be required because of budgetary pressures. I would like to know several things.

One. Can you give us any indication where President Clinton is going in the budgetary area. If that is too soon to ask you that question because it is still being advised, please let us know, and I will wait. But we are very anxious—at least this Senator is—to see what you and the President and OMB are going to suggest in this very crucial area. Given the discussion raised by the Vice Chairman here, notwithstanding the substantial cut we made last year, we did create the Non-Proliferation Center. There was a lot of money going into proliferation in the CIA and very little results coming out of it that was beneficial.

The counternarcotics area: More cocaine and heroin is produced and brought into this country. No fault of the CIA, but certainly some law enforcement people indicate to me—both state and Federal—that the Intelligence Community has not done a lot in their judgment. Maybe there isn't a lot they can do.

The BCCI and the BNL speak for themselves. I know first hand that budget cuts had nothing to do with the failure of the Agency to respond.

Satellite systems. I think it is clear that the United States is second to none in the world. Billions—billions have been spent on these systems. And most of that money has been spent well. However, just last year our own audit staff found billions of dollars that were spent on a system that provided almost no benefit.

So my question is first, what can you tell us the President's or the Administration's position is on intelligence expenditures. And secondly, do you have areas of your own that are either protected areas that should be exempt from budget cuts, or areas that you intend to look for substantial or any budget reductions.

Ambassador WOOLSEY. Mr. Chairman, let me say first of all the President hasn't made any decisions in this area yet. The budget has not come up, and when it does it will reflect his judgments, if you confirm me, I assume with my input to them. So I don't want to speak for him or the Administration. But I do believe that there are some general suggestions I might make without using numbers here, just to indicate some overall direction.

I think the first job is to get the tasks clear, and to see, as I said in my remarks, what reorientation one might be able to do with the assets that exist, what is redundant and what—where gaps exist. I do think it is vital that we start with the job and over the several years to come, not start with as it is sometimes called in the budgeting trade, a bogey: that is, sort of a fixed number regardless of substance.

But as I suggested in my remarks, I do not intend that to be a dodge whereby we spend many, many months or a year or two studying what might need to be studied. I think I owe you, sometime within the next few months, perhaps at different times for different parts of the Community, some sort of overall judgment about resources. It may not be absolutely precise, but over what overall

resource picture would we be coming to the Congress with over a period of several years. And I would hope to be able to provide that at a time and in a way that is consistent with the ability of the Intelligence Community and the Administration to get a review done, and it is also consistent with your own needs about budgetary schedules on the Hill.

Finally, let me say something about the substantive areas. Although I could certainly change my mind, and I will, of course, review these issues, a reasonable approximation of my judgments about the very important satellite systems are included in the report to which I referred and which the Committee has, and which does, I think I could say even in this forum, suggest a substantial amount of reorientation and restructuring and some degree of savings while that is taking place.

Secondly, as I suggested in my remarks, I believe the very able people in the Intelligence Community are a very precious national resource. Many of them, frankly, joined the Intelligence Community as a profession, as a life long profession, and it seems to me that as we look at budgetary reductions over a number of years, and as we look at opportunities to use software and hardware, let's say in the analytical world—using more artificial intelligence programs, for example, to gradually reduce numbers of certain types of people who are required; maybe increase is required for other types of people in the Intelligence Community—we structure our personnel system in such a way that we try to avoid as much as is humanly possible involuntary separations. What that would suggest is a more gradual decline in personnel rather than a sharp one.

The last thing I would say is that with respect to facilities and infrastructure, I do believe some consolidation is possible. I think that may well turn out to be where the real substantial savings are over the long run. Like most consolidations, such as base closures in the Defense Department, it sometimes costs a bit of money up front in order to reap savings down the road, and it takes a few years to get the job done. And as I suggested in my remarks, that in part hinges upon a thorough look at the security system, in particular the compartmented nature of the classification system, because one of the reasons the infrastructure in the Intelligence Community is somewhat elaborate is because the large number of programs often require different facilities and the like.

Those are some of the general directions that I would suggest looking in as we try to reshape and reorient what we are doing.

Chairman DECONCINI. Thank you, Ambassador Woolsey. I am going to leave for about 20 minutes, and the Vice Chairman will continue the questioning and yield to the Members in the order that they came in.

Thank you.

Senator WARNER. Thank you, Mr. Chairman.

I am delighted that you concluded that last answer making specific reference to the cadre of professionals at the CIA. I know of no department or agency of the Federal government that has a more dedicated group of civil servants than the CIA, and in large measure that is in the DIA which is also part of your responsibility, and in turn in the intelligence services of the military depart-

ments. But certainly in CIA. And your reference today to the tragic loss of life to the Agency of those individuals who were gunned down for reasons we know not today.

But let me turn immediately to the questions of budget, Mr. Woolsey. I presume you had an extensive discussion with, at that time probably, President-Elect Clinton, about his proposals for the intelligence budget and most specifically the CIA. Did he make reference to his campaign promise of cutting \$7.5 billion over the next five years, or did you raise that issue? It seems to me it would be a troublesome one for you given the public statements that you have made, most specifically the famous speech in December about the Former Soviet Union.

Ambassador WOOLSEY. The President and I have not discussed numbers on budgets, Senator Warner.

Senator WARNER. No reference to the \$7.5 billion?

Ambassador WOOLSEY. We have not discussed numbers. We have discussed some issues related to intelligence, but not numbers.

Senator WARNER. Well, all right. Did the issues you discussed embrace a format by which that amount of money could be extracted from the intelligence budget over the next five years?

Ambassador WOOLSEY. Senator Warner, I find it difficult to talk about numbers on this issue in public, because it is so hard to make reference to what they refer to. If I could ask your permission to address this subject a bit more when we go into executive session, I would appreciate it.

Senator WARNER. Well, I am sure that I will press on in executive session. But we also have the responsibility to inform the citizens of this country as to how you are going to take a stand, Mr. Woolsey, a stand in the face of the growing clamor to cut, beginning with the President now in office, with certain Members of this Committee for whom I have great respect, but nevertheless, we have a difference of view. How will you take a stand on this question of budget cuts? What are the criteria that you will apply?

Ambassador WOOLSEY. I will start with an effort to understand the way in which the Intelligence Community's resources can best be redirected towards some of these new subjects that I mentioned, Senator Warner. I don't have a preconception about exactly what dollar value would be involved in any kind of readjustment.

Senator WARNER. Well, do you have any commitments to make large cuts? For instance, we took out \$1.6 billion last year, and your predecessor, Mr. Gates, said a comparable cut in this fiscal year would be, quote, "disastrous," end quote.

Ambassador WOOLSEY. I have no commitments to make any specific recommendation for any specific dollar reduction, no, Senator Warner. I believe I am free with respect to my own recommendations to start from a clean slate. The President is, of course, free in balancing all fiscal needs of the country to come out with a budget that he would propose.

Senator WARNER. Well, let me refer to my earlier remarks here about this published article today which made reference to the cutting edge, and I very clearly said that I felt the United States should remain on the cutting edge, and we should remain ahead of the curve, as we have been for these many years. What is your position?

Ambassador WOOLSEY. My position, Senator Warner, is that there is no one cutting edge, there are a number. And in the past, particularly with respect to technology in intelligence, those who have worked on some of the new technology have had a rather free hand to follow technology across the board wherever it might lead. It has produced, as the Members of this Committee know, some absolutely remarkable achievements in the national interest.

But as we move into a world of somewhat greater fiscal austerity in the Federal budget, it may be or it will be necessary for us to pick and choose somewhat more with respect to those particular technologies that we choose to emphasize.

Senator WARNER. But would you say generally speaking, you would like to see this country remain on the cutting edge? You may disagree where you would—

Ambassador WOOLSEY. I would like to see this country remain on the key cutting edge, but I do believe that is going to require some picking and choosing.

Senator WARNER. In the years that I have been privileged to serve on this Committee, there have been a group of us that have tried to restore the human intelligence collection capability, particularly of the CIA. It was drastically cut during the Carter Administration. What will be your approach to that cutting edge of our responsibility in the intelligence field?

Ambassador WOOLSEY. The field of human intelligence is probably the field that I know the least about in terms of the Intelligence Community, Senator Warner. It is one I need to take some time to study and understand before I make any firm recommendations. But let me say this: There are a number of subjects in that list that I set out regarding regarding ethnic rivalries leading to wars, non-proliferation and the like, for which some types of technical intelligence which we utilized before are of decreasing importance, and some types of human involvement are of increasing importance.

But I want to caveat that in this way: One of the great, really remarkable features of the Intelligence Community and the worldwide intelligence system that the United States has today is the ability of the different parts of it to interact and to help one another. It is very rarely the case that important intelligence is solely the product of a single system or a single collection method. And I would be pleased in executive session to give one or two examples that came out of my study last Summer.

Senator WARNER. Can I surmise from this very lengthy answer that you feel that we should remain on the cutting edge as it relates to human intelligence?

Ambassador WOOLSEY. Yes.

Senator WARNER. Thank you. I like that answer. [General laughter.]

Your predecessor, Robert Gates, established a Non-Proliferation Center at the CIA—I mentioned that before—which was intended to coordinate the policies and the programs of the entire Intelligence Community in support of U.S. efforts to monitor and control the proliferation of weapons of mass destruction. Several of our colleagues have mentioned the importance of that. What is your intention with respect to NPC?

Ambassador WOOLSEY. What I know of it has been relatively recent but quite positive and I would certainly be inclined to utilize and perhaps even strengthen such an operation, and there is a specific reason, Senator Warner. It is not only the importance of that subject and the fact that it cuts across many regional areas, and therefore it is a natural device for organizing intelligence collection and intelligence operations with respect to non-proliferation, but my own exposure to intelligence as a consumer has been largely through the field of arms control. The provision of arms control intelligence from the Intelligence Community is through such a center and I received extraordinarily fine support as a negotiator on more than one occasion from that center which pulls together information from across the Intelligence Community and focuses it, makes it responsive to negotiators in very quick time. And I don't know yet as a fact that the Non-Proliferation Center is working that way. It seems to me to be a natural candidate to work that way. If it is not working that way, I would like to see what we need to do in order to help it do a better job.

Senator WARNER. Thank you, Mr. Ambassador.

The Senator from Ohio, Senator Metzenbaum.

Senator METZENBAUM. Mr. Woolsey, I would like to discuss with you your relations with your present law firm. Shea & Gardner has represented a number of foreign countries. From December 1970 to 1973, you were General Counsel of the Armed Services Committee, and then from '73 to '76, you were an associate with Shea & Gardner.

Then you became part of the transition team at the Department of Defense, Undersecretary of the Navy, and took some time out. Then you went back to Shea & Gardner in December of '79 and stayed for about 10 years. You again left in November of '89 for about a year and a half as Ambassador and U.S. representative to the CFE negotiations. And then in July 1991 you went back to Shea & Gardner.

It is reasonable to assume, without any commitment on your part, but it is reasonable to assume that since you spent most of your professional life with Shea & Gardner, that when you leave this position, you'll probably go back with them? I am not asking you for a specific answer on that, but I think it is not an unreasonable conclusion.

I know the Clinton Administration has done a superb job in enunciating certain policies vis-a-vis the question of conflicts from people who join the government. One of them I have some difficulty with, and that is that a member of Cabinet, or a person in a position such as yourself heading up the CIA, would be obligated to recuse himself or herself only for a period of one year after taking on the official position. One year goes by very rapidly, and I am concerned about whether or not you are prepared to recuse yourself from any matter in which Shea & Gardner has an interest with the Central Intelligence Agency for a longer period than the one year that the Clinton Administration requires.

Ambassador WOOLSEY. Yes, Senator Metzenbaum. I would be quite prepared to do that. Let me just say that each of the two times I have returned to the firm, it has been a separate and independent decision, but it is understandable after having been there

off and on for 20 years now that I have a number of friends there, and that in a case of that sort, a one year recusal of oneself from any matter in which the firm was representing anyone before any part of the Intelligence Community would be insufficient. And so yes, I would promise this Committee that essentially, let's say for the duration of the time I serve as Director of Central Intelligence I would recuse myself from any matter in which Shea and Gardner was representing any client in connection with the Intelligence Community.

I would hasten to say, however, that the only example I could think of in which the firm has ever represented anyone before the Intelligence Community was a pro bono matter that one of my partners and I represented someone on a personnel matter. But I think as a prophylactic measure, your point is a good one, and I would, yes, be prepared to make that commitment.

Senator METZENBAUM. I thank you for your answer.

Now, you and I had a discussion before about the fact that you have an interest in a privately held corporation, and although it is small in percentages compared to the totality of the ownership of the company, from a value standpoint it is a very substantial one. It is my understanding that you are prepared to dispose of your holdings in that corporation within—this year.

Ambassador WOOLSEY. Yes. Senator Metzenbaum, that is correct. That reflects your and my discussion immediately before this meeting. Let me just say, I own less than one-quarter of one percent of the fully diluted shares of a company named Dyncorp here in the Washington, D.C., area. And that corporation has, from time to time, had a handful of very small contracts with the Central Intelligence Agency. This is the time of financial interest which can be and is systematically under Section 208 dealt with by a recusal. That is, this is not the type of—these are not the types of contracts that would ever reasonably come to the attention of a Director of Central Intelligence.

Nevertheless, I understand your concern. This is not publicly traded stock—it is stock that is privately owned. And I would be prepared if it is this Committee's wish—and I will volunteer it in light of your and my conversation—to dispose of that stock, I believe it will be practical to do so, within a one year period.

Senator METZENBAUM. One other question—although I have many more, I gather my time is limited.

Will you give us your position with respect to the question of making public the dollar amounts involved in the CIA budget? I would point out to you that the New York Times today recites that the United States now spends nearly \$18 billion a year to sustain the Central Intelligence Committee and its sister agencies. Another \$11 billion goes to the Defense Department for its intelligence operations. And every time you turn on the TV or you talk about this subject, there is publication of these dollar amounts. The question is, will you do that which the Congress had proposed last year, and make public the actual amount that is being spent for our intelligence activities—in a total sum, or possibly with a breakdown between the National Foreign Intelligence Program and Tactical Intelligence and Related Activities?

Ambassador WOOLSEY. Senator Metzenbaum, I'm aware of the Committee's views on this as expressed for the last couple of years in Conference report, and I've certainly seen the public press on this matter. My reaction is that this is a somewhat more complex matter than it may at first appear. There is not a single number that is particularly meaningful on this issue, and the New York Times editorial yesterday asked not for a single number, for example, but for subnumbers as well. There is also the question of whether or not one is talking about a number or numbers that would constitute an entirely separate budget—would go to the Budget Committee, would be susceptible to reconciliation and the like, rather than being part of the defense budget as is the case at the present time.

I would like to ask the Committee's leave to take a bit of time on this matter to discuss it with Mr. Panetta at OMB and Secretary Aspin and, if necessary, with the President, and to come to you within a reasonable amount of time with a reasoned recommendation why we would suggest either doing one thing or the other. And I'd ask your leave for permission to take that time to review the matter.

Senator METZENBAUM. Mr. Chairman, my time is up.

Senator WARNER. The Senator from Rhode Island.

Senator CHAFEE. Thank you, Mr. Chairman. First, Mr. Woolsey, I am very glad you paid tribute to the employees of the Intelligence Community. They are outstanding. And I'm also glad you mentioned the horrifying incident that took place—killings that took place a week ago in McLean. And it just shows the danger that those individuals who work out there are exposed to. I also would like to point out that whereas this Committee did vote for the disclosure of the budget—the overall intelligence budget—that was a very split vote. That was not one of those that fell into the unanimous category of votes that was referred to earlier. So there are many of us on this Committee that don't think it's a wise idea and are glad that you are going to think this over before coming out one way or the other, and I hope we'll have a chance to visit with you on that before you make your final decision.

Now, you're here for confirmation as the Director of Central Intelligence. You're not here for confirmation as Director of the Central Intelligence Agency. And the Central Intelligence Agency is but one of your jobs and sometimes that's lost sight of. And what you're meant to be doing is to provide overall coherence to the intelligence efforts of this nation, which include the CIA, but also includes the NRO and NSA and others. Now, how are you going to go about trying to achieve some sense of direction over those other agencies? I know it's a hydra-headed entity you are dealing with here, since the NSA, for example, also has to report to the Secretary of Defense. How are you going to use your influence and your managerial techniques? Are you going to maintain the Community Management Staff, for example? I'd be interested to hear how you intend to approach this. And I really wonder whether it's the best thing for you to have your office out in the CIA building.

Mr. WOOLSEY. Well, Senator Chafee, that point has come up I know over the years. One thing I am pleased about frankly is that the Director of Central Intelligence also has an office down in the

Old Executive Office Building and for practical as well as symbolic reasons sometimes it's useful to operate from there.

Secondly, I have a great deal of confidence in Mr. Haver who currently heads the Community Management Staff and the work they have done to begin over the course of the last year or two to move toward bringing some sense of cohesion and budgeting and planning to Community matters.

Third, the Congress took an important step last year in approving reprogramming authority within the Executive branch for the Director of Central Intelligence rather than the DCI going initially to request each of the other agencies to reprogram funds and submit the reprogramming to the Congress. The DCI now is under the law I believe, able to take that step of proposing a reprogramming subject only to the disagreement of one of the say, the Secretary of Defense, and that's, I think, something that gives the DCI more of a handle on Community funding than was the case before.

Finally, I've known Secretary Aspin since 1971, and we've worked together on a number of things. And I'm very pleased with the senior personnel—General Clapper and Admiral McConnell, Admiral Studeman, who are in some of the senior jobs in the Community. Mr. Faga, the NRO. And I think that the personnel relationship and chemistry is very good at this point, that we'll be able to work together collectively. So, if I have any problem with all those thoughts in mind, to being able to serve effectively as the Community head if I am confirmed, I would certainly feel free to bring any procedural or legal or other difficulties to this Committee's attention. But right now I think there are, at least initially, good vibrations.

Senator CHAFEE. Well, that's good news because I hope you won't lose sight of that overall intelligence hat that you wear—not solely the CIA hat. I believe my time is up, Mr. Chairman. Thank you.

Senator WARNER. Thank you. We would go to Mr. Lugar now in order of the arrival to the Committee.

Senator LUGAR. Thank you very much, Mr. Chairman. Mr. Woolsey—

Senator WARNER. Would you yield on my time for a moment.

Senator LUGAR. I'd be happy to.

Senator WARNER. All of us are deeply concerned about these killings, but I would not want the remarks certainly made by this Senator this morning to indicate that this Committee possesses any knowledge in the official Committee records which goes against what's been published in the press. And the question of the correlation of this tragic loss of life and the Agency, the Committee has no information on that.

Mr. WOOLSEY. I understand. Thank you, Mr. Chairman.

Senator LUGAR. Mr. Woolsey, I believe we would have general agreement on this Committee and hopefully with you that partisan politics have no place in the work of the Agency, its administration or its personnel policies. I simply ask you specifically: are you committed to the proposition that partisan politics would have no place in the work that you would perform?

Mr. WOOLSEY. Yes.

Senator LUGAR. Will that principle also guide your selections for the top positions in the Agency?

Mr. WOOLSEY. Yes.

Senator LUGAR. What is your reaction to the idea of making more of the top positions in the Agency subject to Senate confirmation?

Mr. WOOLSEY. Senator Lugar, right now as the Committee knows, there are only three positions in the CIA and the Community as a whole that are subject to Senate confirmation: the DCI, the Deputy DCI and the Inspector General. The heads of the other portions of the Intelligence Community of DIA, NSA, NRO may be subject to Senate confirmation based on their positions in the Department of Defense. But within the Community as Community in a sense, there are just the three. I know there has been some discussion of expanding the number of positions, for example, the four Deputy Directors of the CIA itself, the General Counsel, the CIA and so forth. And making them political positions in the sense of Presidential appointments to be confirmed by the Senate. My instinct at the present time is not to favor that. Those positions today are all filled by career professionals in the Intelligence Community. Sometimes people have moved from one part of the Intelligence Community to another. There is a tradition going back to the early days of the CIA from time to time to a distinguished outside scientist to be brought in or for a distinguished academic—William Langer, Sherman Kent, Robert Bowie—but none of those appointments to the best of my knowledge were ever on the basis of party affiliation or anything of that kind. And so although I think the personnel system now operates for those types of appointments in such a way that either a career person or perhaps a very distinguished outsider from time to time comes in, they're not subject to the normal pulling and tugging that can come about with Presidential appointments. And I would hope at the present writing that the Committee and the Congress would see fit to let the present situation continue, and if in the Intelligence Community I make appointments that you feel to be driven by any criterion other than excellence for the job, I hope, and I rather believe, knowing you, that you will let me know. But that is not my intention.

Senator LUGAR. Mr. Woolsey, a few American corporations have claimed that foreign governments or people associated with foreign governments have stolen trade secrets or engaged in industrial espionage to the detriment of the U.S. These Americans have asked the Intelligence Community from time to time to engage in counterintelligence in order that America's competitive role might be protected. First of all, do you agree that this is a role for the Intelligence Community? And secondly, if you do, how would you target those areas of economic activity in which the Community would involve itself? Who should be the consumers of the product? Should it be American firms that have no multinational ties or individuals within the firms, or should your responsibility be merely the President of the United States and public officials?

Mr. WOOLSEY. Senator Lugar, that is in some ways the hottest current topic in intelligence policy issues. Let me answer it the best way I can in a public session and then again in the Executive session perhaps be able to expand.

First of all, our economy is of course more closely involved with the rest of the world than it has been at any time in the past. And economic issues are extremely important ones. The CIA has col-

lected, and the Intelligence Community has collected, economic intelligence of one kind or another since its inception and, indeed, one of the permitted varieties of intelligence to collect in Executive Order 12333 is economic intelligence. But there's economic intelligence and then there's economic intelligence.

I think first of all it is important and useful for you, the Intelligence Community, to be in a position to assist and indeed to assist the—not only the United States Government but American companies in counter intelligence in the sense of helping them understand the intelligence collection threat that they are under from foreign governments and foreign intelligence services. Because not everyone around the world plays the game the way we do. Some of our friends and allies even are involved in economic intelligence operations against our corporations. I think our corporations deserve to understand, as best we can do it, without violating the stricture against disclosing sources and methods how they can defend against intelligence collection against them. That's the first point.

The second point is there are important economic intelligence issues in the field of monitoring sanctions, such as those that are currently being—are in place against Iraq and the former Yugoslavia. And collecting economic related material is relevant to that type of important job for the government.

Third, there are many trends in the world, not only agricultural production and raw materials and natural resources production and levels, but also new technological developments that might be strategically important perhaps because they're dual use—military and non-military—electronics of various types—that United States Government should, I believe, know about and understand. That's an important field. The very difficult question on this often comes at the point in which the question is asked whether the United States Government under any circumstances should share any types of economic intelligence however it is collected with private citizens and corporations. That is a subject and an area and an undertaking that is fraught with complexities, legal difficulties, foreign policy difficulties, and the rest.

My hope and plan would be—I have discussed this with both Tony Lake, the new National Security Advisor, and Rob Rubin, the new advisor to the President and head of the National Economic Council—that we would conduct a thorough review early in the Administration of the whole field of economic intelligence and come up with a systematic policy which is acceptable within the Administration and acceptable to the Congress in balancing those difficult and complex issues.

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

Chairman DECONCINI. Senator from Nebraska, Mr. Kerrey.

Senator KERREY of Nebraska. Ambassador Woolsey, as you may have detected, there's going to be a great battle over your budget and one of the things I think is important for taxpayers to understand is that there's a customer that comes to you and asks for you to do a number of things. There is actually a customer relationship that you have established—the dominant customer being our military. As I referenced in my opening remarks we still have signifi-

cant security concerns and we have people we want to protect. So you have military customers.

What I'd like to do, Mr. Ambassador, is just actually sort of make a comment and then have you react to it. It seems to me that one of the things that you are going to have to do and we're going to have to support is to either say no to a customer or you may refer the customer to a different supplier. For example, you may have to say to some Senator who calls us and says I want a briefing on what's going on some place in the world, you may have to say, "Senator, I urge you to watch CNN. You're apt to get good, reliable information and, frankly, we don't think that's top on our list," and you may have to tell one of us up here that that's a better source of information for us than actually devoting taxpayer money to CIA and then turn around getting whacked on the head for spending too much of the taxpayers' money.

It seems to me that that's going to be a difficult problem for you. I've already heard this morning lots of new ideas of things that you might want to do. We're all very much aware, by the way, of this thing called the CNN curve where Americans can all of a sudden get excited about something and then suddenly it gets pushed back to page nine or ten after deployments are made. I say with all due respect I've supported what the President has done in Somalia. It's alarming to me to watch where Somalia is now is in the reporting. I just held three days worth of town hall meetings and you can guess what subject is number one in those town hall meetings. Somalia wasn't mentioned once. I'm not suggesting that we should not go to Somalia. I'm merely suggesting I think that we, particularly, policymakers, that are coming to you asking you to do certain things, that we have to respect that there are going to be times when you'll say no to us. Similarly, there's going to be times when it seems to me you're going to have to come to us and say, "I've got a military client who's asking for something that I believe is redundant or I believe is outside of their area of authority. And so I'm going to be collecting not intelligence, but I'm going to be providing information that's going to cost me a lot of money to provide but won't, in fact, provide anything upon which somebody is apt to be able to make either a tactical or a strategic decision."

Mr. WOOLSEY. Senator Kerrey, I think that's a very perceptive statement of a problem. I think there are several things that need to be balanced here. First of all, the Intelligence Community does not, I think, usefully spend its money simply—the government's money simply redoing things that are already being done well. But frequently, whether it's a question from a Senator or a question from a military commander, there can be value added even if it is only a specific piece of intelligence that will change the focus, change the attitude, and an answer on some of those questions might be, we don't have much more than is available in public on that except for one thing, and I'll send a briefer up to see you.

With respect to the military, the whole issue of tactical military intelligence and strategic intelligence for the nation used to be thought to be quite separate and apart, has now gotten to be a very complex matter because national systems can be of substantial assistance in tactical situations as they were in the Gulf War, and some of the tactical intelligence that the military collects can have

substantial importance for national decisionmakers. One of the reasons why I believe I will be spending a good deal of time down at the Pentagon talking with Les Aspin and a number of his senior people is working out ways in which we can make all that work without its being redundant and making it complementary instead.

I know for example that when General Schwarzkopf testified before the Senate Armed Services Committee following the Gulf War although he said intelligence overall was excellent in the Gulf War—and that is often something that is omitted in some of the stories—he did have several specific things that he thought were inadequate. I can go into those possible solutions for those some more in the executive session—but I think that if the Intelligence Community works very closely with the operating military, we'll be able to find ways to help get things done that are not done well now and still to avoid substantial increases or substantial burdens on funding in the intelligence budget. It's one of the reasons why I'm very pleased, for example, that Admiral Studeman is Deputy Director of the Community. I think—although probably should not always be the case—I think right now having an experienced military man in that sort of role is a very helpful way to see that the Department of Defense and the CIA work closely together on these issues.

Senator KERREY of Nebraska. My time is up. I'll just say that one of the things I look forward to in closed session is talking about some observed redundancies that I see. But I also say, Mr. Ambassador, that one of my tests of whether or not we are doing a good job will be whether or not some day I don't read in the newspaper that some Senator or Representative—perhaps even myself—was told upon a request for information that that information is easily available in some other source without tying up our intelligence resources, our Intelligence Community, to try to gather something that, frankly, may not be very high on our list of priorities.

Mr. WOOLSEY. I understand.

Senator KERREY of Nebraska: I know it's going to be difficult to do. I'm just telling you that I will support it when you ask—if you have some customer that's pressing and I would respect that even if that customer turns out at some point to be me.

Mr. WOOLSEY. I understand. Thank you.

Chairman DECONCINI. The Senator from New York.

Senator D'AMATO. Thank you very much, Mr. Chairman. Mr. Ambassador, I want to commend you, and I want to commend the President for this nomination. Certainly your work in heading up the CFE negotiations and the eventual ratification of the treaty is a tribute to your understanding of the process which is at often times a very difficult one.

I'd like to pose a question to you recognizing that I'm asking for your personal views and understanding that the answers certainly don't bind the Administration and don't necessarily reflect any advice you may give the President at this time. And it happens to do with the hostilities that are now underway in what used to be Yugoslavia. What do you see as the likelihood of this breaking out into a general Balkan war?

Mr. WOOLSEY. Senator D'Amato, I have only begun to get into—and only briefly—some of the substantive intelligence on that sub-

ject, and I don't feel myself fully briefed on it. So this is a very tentative view, but I think it's one that developed over the course of the last week or two, which is that given the events right now, the risks of hostilities spreading beyond the precise locations where they are now being conducted there has to be regarded as substantial in the rest of former Yugoslavia, for example, without being specific. And it is a serious matter. It is a matter that is on the agenda of the Secretary of State, Secretary of Defense, the President, and one that they are taking very seriously. If I'm confirmed by the Senate I look forward to getting into the details of the intelligence on that particular issue quite promptly and being able to participate more fully in advising them on it.

Senator D'AMATO. Of course, and I respect your answer and the limitations obviously that you have. I'm very much concerned about this. I think the Committee in the future will be looking at this. Probably some of your work will be in analyzing what the potential is for this conflict to even go beyond some of those traditional antagonistic views and old animosities between the combatants. I'm concerned about our allies, Greece and Turkey, and what the likelihood is of the conflict even spilling over into that area. That certainly is a concern of yours, I would imagine.

Mr. WOOLSEY. This is the kind of problem in general that I was referring to in my opening remarks about ethnic conflicts that can metastasize across large segments of the globe. I think it is in that whole swatch of the nations from North Africa across to Central Asia, including particularly the Balkans, that risk of wider conflict in a number of these circumstances is certainly present.

Senator D'AMATO. Mr. Chairman, I think we're indeed very fortunate to have Ambassador Woolsey as the nominee and as the next head of the Agency, so I look forward to seeing and working with him in the future, and I thank you Mr. Chairman.

Chairman DECONCINI. Mr. Woolsey, do you need a five minute break?

Mr. WOOLSEY. No, I'm ready to continue.

Chairman DECONCINI. Okay. We're going to proceed to twelve thirty, and then we'll see if there's anymore questions in the open session.

I'm pleased to hear of your strong support of human intelligence, and I think it's important to note that last year the billions plus savings that the American people realized by the reduction in Congress specifically did not touch human intelligence at all. In fact, it's been my experience on this Committee that the Committee has provided the CIA with huge increases in funding for human intelligence, and has even had to press them on occasion to spend it. You told Senator Warner that the human intelligence effort is one which you strongly support and would not be subject to cut. I'm glad to hear that. Are there other areas that you believe should also be protected?

Mr. WOOLSEY. Well, Mr. Chairman, without looking back at the transcript, I don't recall that I said it precisely that way, but I do believe that as in strategic terms as our interests in such things as these ethnic rivalries and nonproliferation and the rest grow, in some cases there are no substitutes for human intelligence. But I want to stress—I did before and I want to stress again that in

many of these areas it is the interlocking cooperation between human intelligence, technical collection of various kinds that makes things happen. I don't believe, to answer your larger question, that in this review that we will all be undertaking over the course of the next few months that any single area should be absolutely off limits for savings. We may find even in the area of human intelligence there are some things that can be economized on even while others are being increased. So what I meant to state was a general disposition, not a fencing as it is sometimes called in Federal budget—

Chairman DECONCINI. Well, excuse me Mr. Ambassador, just yes or no, are you going to cut human intelligence. That is really all I want to know. Or maybe you don't know.

Ambassador WOOLSEY. Well, I don't know. That is the short answer. I can give you a—try to give you a slightly more formulated one, if you want, but the short answer is I don't know.

Chairman DECONCINI. No, that's fair enough.

Well, I hope that you do not cut human intelligence, and that you will conclude that it needs to be protected. Obviously anyone who takes over may have a different approach as to how to use some of those resources, but that is just my opinion. I can't speak for the Committee, but I know the Committee in the past has increased human intelligence and even attempted to mandate and force the CIA to expand that area. We have mandated a substantial cut, however, in this last year in personnel over the next five years. Director Gates believed that these cuts, although substantial, could be achieved through attrition without reduction of the force. He also has been pleading his case publicly and privately not to further reduce the intelligence budget. Do you think that there may be a greater personnel reduction and when might we expect to have a definitive answer?

Ambassador WOOLSEY. First of all, let me say, Mr. Chairman, it will require some deftness to increase reliance on human intelligence and at the same time to reduce overall personnel. I assume the type of overall personnel reductions that were being contemplated in the budgetary planning to date would have been outside the field of people that were actually involved in human intelligence collection.

I think that the problem is that the reduction that has been planned even to date can just about be taken care of by normal attrition, retirements, with very little or perhaps almost no hiring. And it is extremely difficult to run a vibrant and successful and adapting organization without hiring people. It is also often the case that people near retirement age will be more prevalent in one part of a bureaucracy than another. So insofar as we are already quite close to a level of personnel reductions over, say, the next four or five years that could be dealt with by attrition, even at that level these irregularities, in a sense, in the structure of personnel in the different parts of the Community may require some involuntary separations.

I would be inclined without further analysis, which I would like to undertake, but just if you ask me for my views today, I would be inclined to suggest to the Committee that in the area of personnel overall in the Intelligence Community that we try to plan to—

gether how to get people retrained into different fields, perhaps retrained into different languages, perhaps retrained to use different types of computers and the rest, and to quite possibly keep the reduction going over a longer period of time but not to make it so steep as to require involuntary separations. That would be my inclination.

Chairman DECONCINI. Yes, and I would certainly hope that can be true. But you know, if the President moves ahead with a four percent additional reduction in Defense, I presume some of that would be targeted for intelligence. Is that a safe assumption or is it an unsafe assumption?

Ambassador WOOLSEY. I don't know the answer to that, Mr. Chairman. I have had no discussions with the President about numbers.

Chairman DECONCINI. Assuming that that's a safe assumption, that the 4% would apply or some percent would apply to intelligence, it seems to me that you are going to have a very difficult time. Nobody wants to come into an organization and get rid of people. That doesn't make you popular, that doesn't make the morale good. But are you prepared to do that if that is what has to be done in order to get a lean, mean intelligence machine, if you want to call it that, because of budget restraints.

I am not here with a figure in my mind. I don't even have the 4% figure in my mind that the President talked about for additional Defense cuts. But I just want to know how you feel about it. I understand you have got to be careful because you don't want to send signals out there before your first day next week. I am not suggesting or putting those words in your mouth at all. I just want to know, are you prepared to do those hard things that have to be done?

Ambassador WOOLSEY. Well, I am prepared to execute the budget that the Congress gives me if I am confirmed, Mr. Chairman. I am acutely aware that in the field of funding the government, the Executive branch proposes and Congress disposes.

Chairman DECONCINI. Excuse me, Ambassador, because my time has run out. Are you prepared to consider some such suggestions to us?

Ambassador WOOLSEY. Well, I am prepared to consider a wide range of suggestions first and foremost to the President for him to put a budget, an overall budget together. And then I would of course be prepared to defend what he comes up with to you. But my original inclination going in to this is to look more for savings in facility consolidation than in personnel reduction.

Chairman DECONCINI. Thank you.

The Senator from Nebraska.

Senator KERREY of Nebraska. Thank you, Mr. Chairman.

Mr. Ambassador, I would like to serve up an example of a foreign policy engagement where the United States was involved, though we do not have military personnel involved—we were involved in the negotiation of the agreement and we are involved in a—probably the largest UN peacekeeping operation, that's in Cambodia. I serve this up as an example, Mr. Ambassador, because I think it is fair to say that the United States was not threatened by the outcome of this civil war that is going on in Cambodia. It is hardly—

and you can debate the issue, but it is hardly something that threatens the United States' security to consider an outcome of that war in any direction. If the government survived, the government fell, I mean one has a difficult time making a strategic case. The case that was made was a moral obligation. I think it is a persuasive case, personally. I think the President was right to put it very high—President Bush was right to put it high in the priority. The negotiated agreement appears to be falling apart at the moment.

And I would like to first of all ask you, Mr. Ambassador, if you see this as something that might be useful for us to walk through, to determine first of all what kind of support do we provide the United Nations. Can we provide the United Nations any kind of support, any kind of intelligence support in this operation. Should we be supplying them support in the first instance, and secondly, are there any other modifications that we need to make in order to make sure that we anticipate outcome and don't find ourselves six months down the road saying, gosh, I wish we had done something differently six months ago; even though it was not on the evening news at the time.

Ambassador WOOLSEY. I would be glad to walk through it as a hypothetical, Senator Kerrey, if you want. I have little personal knowledge of the situation in Cambodia myself other than having read a couple of very brief pieces on it. But I am willing to walk through it as a hypothetical in terms of supporting the United Nations if you think it would be useful.

Senator KERREY of Nebraska. Well, first of all, where would you place it on a list of priorities? Do you see it at all on a priority list of things that we need to provide intelligence resources to?

Ambassador WOOLSEY. Well, I would place it where the President and the National Security Council told me to place it because if I am confirmed, I would be providing a service to them essentially.

Having said that, I rather imagine that your assessment of it is widely shared, that is, it is not an immediate strategic threat of overwhelming importance to the United States, but it is, as a matter of moral obligation, it is probably something that a number of people feel we should try to be of assistance in.

Senator KERREY of Nebraska. Well, it is the policy of the United States that we provide assistance.

Ambassador WOOLSEY. Certainly.

Senator KERREY of Nebraska. And we are providing, I don't know what the total amount will be, but I imagine it will be in the neighborhood of three or four hundred million dollars to the United Nations. We led the effort to get a peace agreement. So although we don't have very many personnel in place, certainly from the standpoint of a diplomatic effort and the standpoint of tax dollars expended, it is somewhere out there in the list of priorities.

Ambassador WOOLSEY. Yes.

Senator KERREY of Nebraska. And I really am not trying to pin you down at all here or embarrass you with the question, I am merely trying to discover if this is something that you think that we—being you and the Committee—shouldn't examine in closer detail to determine whether or not we need to modify our procedures

since it is a brand new proposition for us. We have rarely been engaged in something this large, and it is the kind of likely post-Cold War multinational effort that we are going to get engaged in, and I have got lots of questions myself about whether or not we can supply intelligence to a multinational effort, and I have got lots of questions as to whether or not it is desirable for us to do that, and I am just—when I say walk through it, I didn't have a series of questions, I am asking whether or not generally you don't think we ought to identify it as something to work on.

Ambassador WOOLSEY. During the Gulf War, Senator Kerrey, as I am sure the Committee knows, we supplied intelligence, sometimes fairly sensitive intelligence, to a rather large number of countries. And I think the answer to that question is almost entirely driven by protection of sources and methods. If one is dealing with a limited number of professional military people conducting an operation in a tactical situation, it may be that mechanisms can be set up with prior planning and so forth that would protect intelligence sources and methods and still provide enough of the right kinds of intelligence to be quite useful.

It may be somewhat easier in the context of enforcement actions under Chapter 7 of the UN Charter as distinct from peacekeeping operations under Chapter 6, because under Chapter 7, if countries move toward earmarking units and doing prior planning through the Security Council and the Military Committee of the Security Council, that type of preplanning with a relatively limited number of military professionals from a limited number of countries, I think lends itself to figuring out ways in advance in which intelligence can be provided. Sometimes peacekeeping operations involve a very large number of countries and that could sometimes make it somewhat harder.

Senator KERREY of Nebraska. Well, I mean, I would like to discuss this with you a bit during closed session, but I just suggest that for me, at least, it is a terrific example of something where we have got a policy in place moving toward a human disaster. I mean, you can see it at some point out there, 60 or 90 days, it's going to be the hot CNN subject. I hate to keep referencing CNN, but that's very often where I end up living. People start getting concerned once they see it in the news.

And it seems to me that we have a situation here where it is a post-Cold War example of multilateral cooperation, but we are not really adjusting our fire, our political fire accordingly. And I am concerned that we not end up with another situation where after the fact, we say yes, if we had just done A, B, C, things would have been a lot different, we wring our hands and say, oh, woe is me, and blame somebody else for it. And I suspect perhaps in closed session we could walk through some instances of where you are concerned about sources and methods and perhaps provide me with a better basis upon which to make decisions.

Ambassador WOOLSEY. Understand.

Chairman DECONCINI. Mr. Woolsey, it is 12:30. I have some more questions for the open hearing. I know Senator Metzenbaum does and perhaps the Senator from Nebraska does. So we will recess at this time. Instead of 2:15, it'll be 2:30 because of the cau-

cuses of each party, and we'll meet you back here at 2:30, Mr. Woolsey.

Thank you.

Ambassador WOOLSEY. Thank you, Mr. Chairman.

[Thereupon, at 12:30 o'clock p.m., the Committee was recessed.]

Chairman DECONCINI. The Committee will reconvene.

Mr. Ambassador, I'll start with a couple of questions here. I want to talk to you a little bit about the law enforcement area where the CIA might do a little better job. You are familiar—probably at least by the press and maybe more—of the BNL case. There have been some other incidences as well where the Justice Department has had a problem, or the prosecutor in the Justice Department has had a problem getting certain information. And the Agency, quite frankly, has had a problem knowing what information they have or don't have. And the role of the Intelligence Community in seeking and reporting information on foreign criminal activities I think is somewhat ill defined, but I am not an expert on it. Even though we are in an era of major crimes on an international basis, something needs to be done about it. It appears that the lines of communication between Justice, CIA, are anything but clear and defined. And the CIA, relying on advice from Justice in the BNL case, released a letter characterizing its information on BNL which appears to have been incomplete and thus misleading. The rest of the case is pretty well known. The Judge kind of blew the whistle and said wait a minute, I want to see the whole thing, and finally the Agency got it.

This Committee authorized what I consider a pretty thorough report, which will be forthcoming and made available later this week. And I wonder if you have given some consideration as to what you think might be done to set up a process with Justice that would protect the proprietary interests of the Intelligence Community, sources and methods, but in fact would make available to law enforcement—particularly prosecutors—pertinent information, which means sometimes witnesses in order to proceed. Have you given that some thought and do you have any suggestions for the Committee how you are going to approach that?

Ambassador WOOLSEY. I have only one or two very general ideas, Mr. Chairman. I have not reviewed any internal Agency reviews on the BNL case, and of course, I am also awaiting to see what this Committee comes up with. I am quite aware that with respect to reporting of any crimes by Intelligence Community employees that might come to our attention in the course of their undertaking of their responsibilities, my obligations are to come to you and your counterpart Committee in the House, and with respect to what one might call extra-curricular criminal activity by members of the Intelligence Community, it is my obligation to report it to the Department of Justice.

There comes to be this very complex area of reporting of information that might be relevant to criminal activity by completely separate parties, particularly when one learns about it in the course of intelligence collection, let's say of overseas—material from overseas. And I am aware that something certainly went awry in the BNL case. May have in part had to do with the nature of record keeping in parts of the Agency. It may have in part had to do with

other procedures that need to be examined, and I'll look forward to reviewing both reports when I have access to them to see what might be done.

The one thing that crosses my mind, and I don't want to say this in a way that would suggest I have any particular organizational matter in mind, it is simply an observation. What one has in the—both the intelligence world and the world of the Department of Justice and criminal prosecution, is two completely different missions on behalf of the United States, both of which have substantial value to the country and which have very different methods and approaches towards how to deal with the discovery of wrongdoing.

If someone involved in intelligence, with respect to an overseas party, let's say, learns of an activity that is against the interest of the United States, there is, I think, in the Intelligence Community often an inclination to watch and wait and to understand, because the next time, if one is watching and waiting, one might learn something more, and that next thing one learns might be something that is truly vital to the interests of the country. And the mindset of those who are involved in prosecuting crimes on behalf of the United States is, of course, quite different. It is to learn what one can and use it case by case in specific prosecutions in order to bring criminal actions. And those two different approaches can run into conflict with one another. They both are legitimate interests on the part of the country.

I think we need to look at, in the Intelligence Community, such things as the way records are kept, the paths through which information is transmitted to the Department of Justice, and make sure it is done in a way which is systematic and thorough and is understood by the senior people at the Agency to be responsive as well as being responsive to the Agency's requirements to maintain sources and methods.

Chairman DECONCINI. What are you going to do about it when you are Director? Make it more available to the Justice Department's legitimate requirements?

Ambassador WOOLSEY. Well, one thing I would like to talk to an Attorney General about, Mr. Chairman, as soon as we have one, is a way in which a top official, perhaps, in each agency, could be responsible on a continual basis for staying in touch one with the other. There ought to be someone at the Agency who understands the importance and needs for prosecution, and frankly, I think there ought to be someone in Justice who understands intelligence collection and assessment.

Chairman DECONCINI. Excuse me. Do you intend to take this up with the Attorney General and attempt to work out some kind of procedure where the Justice Department can make these inquiries and then you can give them all the information you have and protect what the Agency may have to protect?

Ambassador WOOLSEY. I intend to make this an early item in taking it up with Department of Justice, Mr. Chairman. And I think what we need to avoid is chaos and confusion in either of the two departments or agencies so that one doesn't have many, many multiple channels getting it crosswise with one another. And this is a difficult and delicate problem, but it is very important to get it straight. And it would be an early priority of mine, yes.

Chairman DECONCINI. I am going to yield to the Senator from Ohio. Seeing that he and I are the only ones here, I am going to make it a ten minute rule.

Senator METZENBAUM. Thank you.

I think, Mr. Woolsey, that you responded to Senator Lugar in connection with the subject of economic intelligence. Would you favor spying on foreign companies to make sure they are not engaging in unfair trade practices? And would you give such information to U.S. companies if the CIA happened to pick it up while pursuing other intelligence requirements?

Ambassador WOOLSEY. Senator, I would, with your permission, address anything related to those particular subjects in executive session.

Senator METZENBAUM. When does the Chair expect to go into executive session?

Chairman DECONCINI. We're not quite sure. It depends on how long we take here. Some time this afternoon. Whether or not we can do it in the next hour or so depends on whether or not we can get Members there. My guess is we will do it later this afternoon so every Member will have some notice of doing it, unless we get through real quickly here.

Senator METZENBAUM. Mr. Woolsey, maybe you want to do the same with this question: How do you view the risks involved in intelligence collection for so-called "economic security?" For example, isn't there a real risk that such valuable information, even if collected only for the U.S. Government, would be leaked to some U.S. business firms?

Ambassador WOOLSEY. Again, Senator Metzenbaum, that is the kind of subject I would prefer to address, even in general terms, in executive session.

Senator METZENBAUM. I'll go to a different subject. Director Gates took several first steps to bring some openness to the CIA and to fight overclassification. I have spent more time that I like to think about concerning this whole question of finding that every single document has a "Secret" or "Confidential" or "Top Secret" or some particular designation on it. A recent CIA task force has stressed the need to review the whole structure of classified information and security procedures. But meanwhile, nothing is happening. We are still getting the same number of documents with that kind of marking.

What, if anything, will you do to speed up the process of opening up intelligence files where it can safely be done? I certainly don't want to violate any of the necessary safety protections, but I think it is just a habit to put on even a calendar or on a map that is a public map, some classified indication. I think people think it is easier to do it than not to do it. What do you think we can do about that?

Ambassador WOOLSEY. Senator Metzenbaum, I believe that with respect to compartmentation of intelligence and the numbers of compartments that exist, I have some feeling for the problems involved, and as I said in my opening statement, I think that is excessive and some substantial simplification may be possible that may also result ultimately in some saving of funds.

With respect to the question of what documents are classified at all and the speed with which they are declassified—for example, as a result of the passage of time so that historical materials may be provided to the public—it is not a subject I am particularly familiar with. I do believe it is important. I think it is important for historians, for example, and other interested members of the public, and it is also one aspect of the problem of security and classification which is that sometimes it is better to focus very hard on protecting the really important sources and methods and pieces of information, and not try to classify so much. Sometimes by classifying a very great deal, you end up exerting effort on protecting things that don't matter a great deal and lose the ability to focus as hard as you should on keeping secret the things that really need to be kept secret.

But beyond that general observation, this is an area I need to understand the rules better and get into. The thing I would say is that I would plan to make this an early priority, because I think particularly with respect to compartmentation, it is one key to understanding what types of consolidations may be possible and what types of financial savings may be possible for the Community as a whole.

Senator METZENBAUM. I am not doing very well getting any answers, but I am going to keep trying.

Another new intelligence requirement is for better collection and analysis of information that is already available to the public—what is known as “open source” material.

Do you favor a major increase in open source collection and analysis by U.S. intelligence agencies? And secondly, one problem with using intelligence agencies for such work is that their product is often classified, even when the sources are open and the information is available to the entire world. Is there some way to ensure that open source collection and analysis will not be used to create new mountains of classified information?

Ambassador WOOLSEY. I think that is a legitimate concern and I would hope to be able to avoid that, Senator Metzenbaum. If open source material is relatively easily acquired by other government agencies in their normal course of business—for example, the State Department getting publications abroad and the like—there is no particular reason for the Intelligence Community to be involved. But in a number of cases there may be some economy of scale, so to speak, in acquiring open source material at the same time one is acquiring intelligence information that is not open source. And if we do that I think we are under an obligation to try to keep the open source material separate and to figure out a way to have it more generally available to the government, along with open source material that other government agencies collect.

Senator METZENBAUM. Section 2.3 of Executive Order 12333, the current order on United States intelligence activities, permits intelligence agencies, quote, “to collect, retain, or disseminate information concerning United States persons,” end of quote, if it is, quote, “information constituting foreign intelligence,” and is not information concerning the domestic activities of United States persons. With the end of the Cold War, is there any justification for continu-

ing to assert the right of U.S. intelligence agencies to spy on Americans for foreign intelligence purposes?

Ambassador WOOLSEY. Senator, let me get the proper section of 12333. It is 2.3, you said?

Senator METZENBAUM. 2.3, yes.

Ambassador WOOLSEY. 2.3 lists sort of A through J of procedures shall permit collection, retention and dissemination of the following types of information. So you are in 2.3, which one? Is there one of the sub-categories?

Senator METZENBAUM. I don't have the reference in front of me.

Ambassador WOOLSEY. Maybe the staff—

[Pause.]

Ambassador WOOLSEY. All right. It is 2.3(b). Generally 2.3 authorizes the Intelligence Community to collect, retain and disseminate information, and there is a number of types. And this type is, "Information constituting foreign intelligence or counterintelligence, including such information concerning corporations or other commercial organizations. Collection within the U.S. of foreign intelligence not otherwise obtainable shall be undertaken by the FBI or when significant foreign intelligence is sought by other authorized agencies of the Intelligence Community, provided that no foreign intelligence collection by such agencies may be undertaken for the purpose of acquiring information concerning the domestic activities of U.S. persons."

So as I read it, Senator Metzenbaum, that would permit the Intelligence Community to in some circumstances collect foreign intelligence in the United States, as long as it was not information concerning domestic activities of Americans. And the question is, is that reasonable under present circumstances.

Senator METZENBAUM. Do you think we need to continue that?

Ambassador WOOLSEY. I believe it is reasonable and I would like to explain why in executive session.

Senator METZENBAUM. In executive session. All right.

Chairman DECONCINI. Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

Mr. Chairman, I would like to pick up with some questions which are routine, on just legal procedures, Mr. Ambassador, that should be a part of the record, and you fully understand this.

Do you agree to faithfully adhere to Section 502 of the National Security Act, which requires you to keep the Intelligence Committee fully and currently informed of the intelligence activities of the United States?

Ambassador WOOLSEY. Yes.

Senator WARNER. Do you agree to fully adhere to the requirement in section 502 to keep the Committee fully and currently informed of any significant anticipated intelligence activity?

Ambassador WOOLSEY. Yes.

Senator WARNER. According to CIA legal counsel, the reason the DCI did not inform Congress of our intelligence sharing program with Iraq in the early 1980's was that back then liaison activities were not considered a significant intelligence activity. Under current practice the initiation of such a relationship today would require Congressional notification. Can you assure the Committee today that this current practice will be continued?

Ambassador WOOLSEY. Senator Warner, I am not familiar with the distinction between initiation and anything else. I would like to know a little bit more about this issue.

Senator WARNER. What I would recommend is that this question be given to you and that you answer it for the record, because I think you have touched the fundamental ones, and this is a technical one requiring the analysis of previous history and you should do that.

Ambassador WOOLSEY. I would be pleased to answer that.

Senator WARNER. Can you share with us some of your thoughts as to what other types of activities constitute a, quote, "significant intelligence activity," end quote, triggering a reporting requirement?

Ambassador WOOLSEY. Senator Warner, I have not made a study of the legislative history and the interaction between the Intelligence Community and the Committees on that and I am reluctant to—

Senator WARNER. All right, once again, you go back and analyze this and provide it for the record.

Ambassador WOOLSEY. I'll be glad to.

Senator WARNER. Now I have before me a copy of the questionnaire the Committee sent you as a matter of our routine practice. It appears to be an endorsement of the role of Congressional oversight, the need to keep the Oversight Committees informed on intelligence activities, and the need to maintain a constructive relationship between the Executive and Legislative branches on the conduct of such activities. Because these are such important subjects, I want to make sure the Committee has a complete, perfectly clear record of your position on these subjects. I will also ask questions on other procedural and legal issues.

Do you agree to fully adhere to the requirement in Section 502 to keep the Intelligence Committee fully and currently informed of any significant intelligence failure as well as to identify to the Committees any correction actions.

Ambassador WOOLSEY. Yes.

Senator WARNER. What is a significant intelligence failure in your judgment? For example, I think we all agree that a failure to successfully launch a very expensive satellite of some type is a failure worthy of notifying Congress. Corrective actions likely can be easily identified. But how about the analysis. For example, does the CIA's and the DIA's consistent underestimation of the size of the Soviet economy and the size and burden of its defense spending constitute a significant intelligence failure requiring notification and corrective action.

How do you propose to identify and correct flawed analysis? What are the parameters?

Ambassador WOOLSEY. Well, Senator Warner, with respect to the definition of failures, again this is something I would like to answer for the record. This is far from a clear cut subject. For example, in the case you took, I would agree, based on my own reading of intelligence estimates over the years that it would be fair to characterize the estimation of the size of the Soviet economy, and therefore the estimation of the percentage of the Soviet economy

that was devoted to military spending as having been substantially inaccurate over the years.

Generally speaking, it is my experience that the estimates with respect to actual Soviet military activities and the amount of resources and amount of effort they were devoting to military activities, viewed in isolation from the rest of the economy, were one of those things which was done rather well by the Intelligence Community over the years, at least the part that I was most cognizant of, which was the strategic spending, Soviet strategic hardware developments and the like.

I don't know what has been the practice with respect to whether misestimates or partial misestimates come under the definition of failures that you cited. It is something I would like to review and get back to you on.

Senator WARNER. So you will provide for the record, as best you can, what you believe the criteria would be in terms of your reporting responsibilities?

Ambassador WOOLSEY. Yes, I will, Senator.

Senator WARNER. I think it isn't possible for us to lay this down in finite terms. You and I are both lawyers and we understand how to write an agreement that can look both ways. But I do think, and knowing you as I have and working with you as I have over literally almost two decades now, I think that you do want to comply with the spirit that has existed for many years, although I think under Director Casey there were some intentional omissions, but you want to continue with the spirit, with the cooperation between your departments and agencies and the Congress of the United States.

Ambassador WOOLSEY. Absolutely, Senator Warner. And not only do I want to, I am under instructions from the President to do so if I am confirmed.

Senator WARNER. So that is a promise and a commitment that you made?

Ambassador WOOLSEY. Absolutely.

Senator WARNER. And I think that is important that you put that right on the record, that the President brought this up with you.

Ambassador WOOLSEY. The President wants a frank and candid and open relationship between the Intelligence Community and this Committee and the Oversight in the House, and I want that both on my own and also because he has so instructed it, and that is my full intention.

Senator WARNER. Mr. Ambassador, I am delighted you brought that forward. I, and I am sure the other Members of the Committee, are appreciative to our President for having made that clear.

Mr. Chairman, I could take a few more minutes here to go through these, but my time is likely to be on the borderline. I could come back to it if that is agreeable.

Let me digress to ask some questions of you on the very difficult problem of the former state of Yugoslavia, now divided into the several independent nations. It is most likely that the President will, in the near future, make some decisions in this area. Now, I anticipate that you will be confirmed and in a position to work with him. And of course, your advice to him is a matter of confidence. But I

think in fairness to the Committee, to the Congress as a whole, and to the American people, we would like to gain as much insight into your thinking on that complicated question at this time as we can reasonably expect.

The first issue that I would like to discuss is with respect to the enforcement of a No-Fly Zone. Now, you start with a threshold problem no one can really define. But generally speaking, it would involve suppression of flights certainly in the geographic area of what is now known as Bosnia-Herzegovina. What is your view as to the military significance of that operation were it to be enforced by the UN?

Ambassador WOOLSEY. Senator Warner, if I might I would like to—I do have one or two thoughts on that, but I would prefer to deal with it in executive session if I could.

Senator WARNER. Would that also apply to the issue of providing arms to the Bosnians?

Ambassador WOOLSEY. On any of these issues, let me say even in open session, I do not see my role, nor does the President, as a policy advisor. How I—what I would think as a private citizen about the positive or negative features, in a sense in the abstract of a policy option such as that, is—would be—is a separate matter. But my job, as I understand it, is to be sufficiently familiar with the options that are being considered by the policymakers, and to be enough involved in the policy process that I can ensure that they are getting the intelligence they need in order to make the judgments about what options to pursue. So I don't want to suggest by deferring to executive session that I would be inclined to say I would vote for option A versus option B, but rather that I believe my job is and ought to be, and I have been so told by the President, to be sufficiently informed about the policy choices that the policymakers are getting accurate intelligence about it. And I would be glad to discuss, in that spirit, in executive session, some of the issues you raised if you want.

Senator WARNER. But you would prefer not to deal with any aspects of that situation in public even though you said you do hold some views as just a private citizen.

Ambassador WOOLSEY. I would prefer not to, Senator Warner. I don't see any way to get into the substance of that issue and not—in public or in private and not intrude on the job that I would have which is to understand policy but not to recommend on it.

Senator WARNER. Mr. Chairman, my time is up.

Chairman DECONCINI. The Senator from Nebraska.

Senator KERREY of Nebraska. Mr. Chairman, I have got some questions that I would submit to be answered for the record. I would in my time here, Mr. Ambassador, merely alert you as I think I did in the opening statement, I'll put some additional detail on some of the things in which I have an interest in exploring.

The first is that as you know the Intelligence Community is a world leader in the technologies of storing information, of transmitting information, of using large amounts of information. And those formerly unique requirements of the Intelligence Community are now requirements that are shared by almost every business, university, individual out there who is suffering under trying to figure out how to manipulate and use that information. I have no interest

in violating sources. I know that much of what we develop cannot be delivered to the private sector, but I have a significant interest in making sure that if we have a reasoned judgment that it could be moved into the private sector, that it be done so, given the potential for the generation of jobs and American wealth.

A second interest, Mr. Ambassador, is in the development on environmental policy, predicated again on our understanding that the most important thing we are trying to do with the Intelligence Community is to protect the United States and our people and our interests. I would be interested in your views at some time on what we do in the environmental area. And I am not just talking about the collection of raw data, but the conversion of the raw data into some kind of finished, tailored product that is useful by policy-makers as we are trying to make decisions. I think in both those two areas there is potential for us to do things differently. I trust your own judgment about being cautious in this regard. But it does seem to me that there is tremendous potential there and I would be interested at some point both in hearing your views and in hearing what you think we ought to be doing.

Ambassador WOOLSEY. Let me say just a word about each of those, if I could, Senator Kerrey.

Senator KERREY of Nebraska. Sure.

Ambassador WOOLSEY. I think those are both very important issues.

On environmental policy, in no small measure because of some efforts originally undertaken by now Vice President Gore when he was in the Senate, there is a very vigorous effort under way that I know a number of Members of Congress have been interested in to lead the Intelligence Community to utilize intelligence collection systems and analysis in a way that makes it possible for us to understand environmental matters better. And we are now, as I understand it, the Community is in to a second phase of work on precisely that project in an effort to figure out whether and how information can best be disseminated broadly—whether the information should be sanitized, whether certain individual participants outside the Intelligence Community should be brought into the processes in some particular way. I think that is on-going. That effort to understand how to do that is on-going in a very vigorous way right now, and it is—presents some exciting and potentially productive opportunities for using these intelligence assets in a way that I think would benefit everybody, not only in the United States, but in the world. I am quite interested in it myself, and I don't know any more about it than what I have just said, but I do plan to get into it very soon if I am confirmed.

As far as storing and transmitting publicly available information and making it available to the public after it has been processed in the Intelligence Community, it seems to me there are some things we ought to be able to do here. One example that comes to mind is prompt translation of foreign open source journals. In the best of all possible worlds, it might be that that sort of thing would be done by other parts of the government. But if the Intelligence Community, along with whatever else it is doing is able to translate articles from technical journals that are publicly available in other countries in other languages, for example, and help make

them available perhaps not directly from the Intelligence Community but to some other part of the government that could in turn make them available to the private sector, I think that sort of thing might be something where the language specialists, for example, in the Intelligence Community would have some relative advantage and be able to see that things are done promptly, because in some commercial and technical areas, an article that is translated a year or two later isn't worth too much. You really want something that is being translated promptly. That is one type of thing that comes to mind of how one may be able to contribute to publicly available data banks, for example, that could be assessed by a computer by people outside the government. I think those are some of sorts of things we should look at.

Senator KERREY of Nebraska. Yes. To just add to that, I was thinking specifically with regard to communications technologies, that there are specific technologies of retrieval, of storage, of transmission, and the requirements of the Intelligence Community, as I said, are similar to requirements in the private sector. I understand that we could have a technology that we would not want to share in a public environment, but it is also entirely possible that we have technology that would not hurt us to share in a public environment that could be useful in the private sector.

And I understand one has to be very cautious about that, but my own fear is that in getting too cautious about it, we could discover that we are developing technologies being applied by competitors before our own private sector people get it. And again to emphasize, on the environmental issues, there is a big leap from supplying raw data about deforestation or global warming or energy patterns, and producing a finished, tailored product, much the same ways we do on other kinds of threats—producing a finished, tailored product to policymakers so that we can make decisions about those threats and try to calculate whether or not we think they are real, and if they are real, what is the nature of them and what do we do to deal with it. I personally think we need to make that leap, to begin to produce this finished product that would be useful for the President and other people who are having to make decisions.

Chairman DECONCINI. The Senator from Massachusetts.

So the Senator knows, we have gone to a ten minute period of time.

Senator KERRY of Massachusetts. Thank you very much, Mr. Chairman.

If I could ask permission, I have to go to a meeting of the New England governors, which I can't miss. And I know you are going to go into closed session after this and I have some questions which I know will have to be answered in closed session—

Chairman DECONCINI. If the Senator would yield, it looks like we're going to go into closed session, depending if we finish here in the next half hour or within the hour, we will go into closed session probably around 5:00 o'clock, so everybody will have some notice to be able to adjust their calendars to there, or their schedules to get there.

Senator KERRY of Massachusetts. If I can't get there, I could submit some questions in writing?

Chairman DECONCINI. Yes, you can.

Senator KERRY of Massachusetts. Thank you.

I won't even bother to ask some of my questions, because I know they being in that arena. It's my perception we had a good working relationship with Director Gates. I think he, both on some investigations and on the POW/MIA effort, tried very hard to encourage the Agency to be forthcoming with documents, and I think he did an excellent job in improving the relationship.

I also think he did a great deal to try to guarantee that the Agency had a reputation for performing the important tasks that we all expect it to do in the interests of the security of this country, while simultaneously respecting the law. And I have absolute confidence that you are going to do that too, as I mentioned earlier today.

Let me just mention to you something that Mr. Gates pledged with respect to this need to build trust and confidence between the institutions of government at his confirmation hearings. And this is what he said. "If I thought there was an illegal intelligence activity going on in any agency of government, I would first notify the head of that agency that I had that belief and that I believed he had an obligation to inform the Congress. If he did not do so, I would then inform the President and tell him that I felt the Congress should be informed, and if the President did not act, then I would inform the Congress or I would resign and then report to the Congress."

Would you make such a comparable pledge to the Committee?

Ambassador WOOLSEY. I would endorse that, yes, Senator Kerry. I would add that I have—not only do I have no expectation that President Clinton or the head of any agency in this Administration would be reluctant to so inform the Congress. I have every reason to believe on the President's part and based on his instructions to his cabinet members and to me that he would be first and foremost in ensuring that such notification was provided to this body and the House.

But on the hypothetical that Mr. Gates was dealing with, I would certainly make the same pledge he did.

Senator KERRY of Massachusetts. I appreciate that, and I share the confidence you have, but I think it is good to have it on the record.

Another problem that arose under DCI Casey was the use of private individuals by the government to finance various operations that were directed either by the CIA or the NSC.

Are there any circumstances that you could envision based on your experience at this point, where you could see the Intelligence Community relying on non-official funds to carry out specific intelligence gathering operations or covert operations of the United States?

Ambassador WOOLSEY. No, that was not reported to this Committee and its counterpart in the House.

Senator KERRY of Massachusetts. Would that be the guideline that you think would be—

Ambassador WOOLSEY. Well, I believe the general principle with respect to covert action is stated in the statute and regs is that the Community is not—it is not available to the Community to under-

take an action through another party and avoid reporting that it would have to report if it undertook itself.

Senator KERRY of Massachusetts. Okay. Well, I think that the rules are pretty clear on how that ought to go, but I am just trying to figure out whether this is an option that you would want to hold open.

Ambassador WOOLSEY. I couldn't see doing it in the absence of disclosure to this Committee, and right now I can't think of a hypothetical reason to do it. But if there should be some reason that one wanted to, in cooperation with some other entity or foreign government or whatever, accomplish something, it seems to me the way you stated it comes within the reporting requirements.

Senator KERRY of Massachusetts. Now, an issue that I think has come up through others and we discussed it privately, I would just like to pursue it for a moment on the record.

Yesterday's New York Times editorial suggested that one of the problems traditionally, or one of the problems with the CIA was that it in a sense concocted its intelligence assessments to suit particular individuals who were requesting them or particular points of views held by those individuals.

How do you deal with that? First of all, do you accept that that is something that has happened, and if so, how do you avoid that from taking hold in a bureaucracy where people may be afraid of taking the risk of issuing assessments people don't want to hear.

Ambassador WOOLSEY. I am sure it has happened and can happen, Senator Kerry. I didn't follow them thoroughly, but I did watch some and have read some other sections of testimony by individuals during Bob Gates' hearings, and I am familiar with the notion that there is concern not only about—historically in the Community, not only about conscious politicization, that is, I want an estimate which says such and such, but rather members of the Community whose job is analysis and production of intelligence, seeking to read essentially what they believe to be the desires of their superiors, and to make estimates that support policy.

The best thing I can say about that is that that is not what I or, I am sure, this Administration wants. We want analysts to give us their best judgment. And it does not mean that an individual analyst will always have his view—his or her view prevail in the ultimate Community picture, because a part of what the Intelligence Community does is present a collective view to the President and to other decisionmakers, and that sometimes does involve weighing, balancing, compromising between views of different people, or best of all, I think, showing alternative and different views and how and why they differ.

I do think there is a role for an analyst who is a great expert in a specific area, let's say a particular country or a particular technology that another country is developing that might be used for weapons and be adverse to the interests of the U.S. I think there is a real role for that individual to do something on his or her own, and to sign it and to have that also go into the system so that a decisionmaker would be able to look at a collective view, but also be able to look at an individual view.

I think that there are ways that one can avoid the problem of a bureaucracy producing views which some of its managers believe

are responsive to the substantive views of the people either at the top of the Intelligence Community or in the policymaking agencies. But this can never be perfect. It is impossible always to avoid the thought going through someone's mind that, you know, they are doing X and they would probably really like to hear that X is working well. All I can say is I will do everything in my power and I am sure as necessary the other senior members of the policymaking community would do everything in their power to ensure that people all the way down the line know that what we want is their best efforts to tell us the way things are likely to be, given their best judgment, regardless of what they think is desired in policy terms.

One final point on this. That also means, however, that intelligence has to be relevant to real options that are being considered for policy. It doesn't do a great deal of good for it to be produced with respect to something that is totally irrelevant. So in the policy consideration business in the Executive branch, I think it is important for analysts at a low level as well as in the medium levels of the Intelligence Community to be exposed to the policymaking process and to understand what things people are really considering doing so they can tell them the truth as they see it about those options that are in fact being considered.

Senator KERRY of Massachusetts. My time is up, but that may require a whole different set of guidelines and/or a different kind of structure. And I am sure you are well aware of that and sensitive to it. But I must say, I came here in 1985, and for a period of time thereafter as a Member of the Foreign Relations Committee, it was very clear to me and to other colleagues on the Committee, meeting with parliamentarians from Eastern Europe and talking with the Lech Walesas and others as part of Solidarity and so forth, and even with people from the Soviet Union that we would meet here, talking about arms control and other issues, it just was clear something very significant was happening and this was not a society that could survive moving down the road it was going.

I mean, I recently as a Senator—I think I was the first Senator here to go into the KGB headquarters in Moscow, all through it, and I was stunned to find ten telephones on one desk, in 1992. I—these are the kinds of reports that were never given to us, never factored into—I mean, you get out at the airport and see that three-quarters of the lights in the airport don't work, there is not a new truck on the road, and you know, someone has got to be taking these fairly obvious kinds of things into account. Yet simultaneously with all of these observations capable of being made, we were crusading down this extraordinary road of expenditure in response to a threat that couldn't go on, and in fact, didn't go on. It was a totally faulty threat analysis.

Ambassador WOOLSEY. Well, certainly the underlying economic structure of the Soviet Union was far weaker than most people in the West, for many years I believe in the Intelligence Community as well as outside the Intelligence Community believed and said.

I must say that my own experience with respect to the intelligence that was provided to me as a negotiator by the people who were involved in arms control, I thought was quite objective, balanced, and where there were disagreements within the Commu-

nity, they were fairly set out for me. I would hear, often with a one day turn around when I was negotiating the CFE Treaty, there's a different view on this between DIA and CIA. Here's what it is, here's why the difference exists. I got quick response, I got a range of views, and I got the reasons for the differences.

And I know one cannot run the entire Intelligence Community with the type of sort of cross organization center that the arms control work was done in, has been done in over the years, but—but my personal experience during my time in the government on these issues with respect to arms control and strategic and Soviet general purpose force estimates is really quite positive.

Senator KERRY of Massachusetts. But most of those briefings—if I could just interject—most of those briefings, and I went to a number of them, involved—and they were—I am not questioning the accuracy of those. I think where the focus was on the military capacity as it reflected the stats and specs of the item, it was pretty good. I mean, we knew something had X kilotonnage and so many warheads and it could fly so far so fast and so forth, and how many there were. But we seemed to respond to that rather than really to the warfighting capacity of it all. I mean, these were troops that would not have gotten through Czechoslovakia or Poland alive in many cases. These are systems that if you took ten telephone calls and you had no trunk system and so forth, this was not a warfighting capacity in reality because it would just fall apart.

Ambassador WOOLSEY. I think that may have been true with respect to many of the conventional units of the Soviet armed forces and certainly the other Eastern Bloc countries as we went into the 80's, other than their very front line units. But I must say it is my impression that the—up until the late 80's, units such as the divisions in the Group of Soviet Forces in Germany were probably in fact capable of rather an effective move against the West, and were on something of a hair trigger.

It was a mixed picture. There were ethnic stresses within the Soviet military. There was hazing and worse of recruits. There were divisions between officers and enlisted personnel. There were a number of things which would lead one to believe that over the long run—and I saw these being estimated by the U.S. Intelligence Community at the time—that over the long run, there were certainly some substantial weaknesses in Soviet General Purpose Forces. But I believe that with respect to the units that could have, up until the mid to late 80's, poured through the Fulda Gap, a number of those forces were really quite capable indeed.

Senator KERRY of Massachusetts. I thank the Chair for his indulgence and look forward to following up with you on this.

Chairman DECONCINI. Mr. Ambassador, the Senator from Virginia talked to you about the responsibility of agencies to report to the Oversight Committees on Findings. And I want to pursue, under Section 503, the President's responsibilities. The President may choose to withhold prior notice of covert actions from the Oversight Committees and provide, quote, "in a timely fashion." In what circumstances, if any, do you believe this would be appropriate and what constitutes a timely fashion in your judgment, and

can you conceive of the circumstances in which a timely fashion would be less than 48 hours?

Ambassador WOOLSEY. Mr. Chairman, this is a very important question, and as you and the Committee know, it has been the subject of strong disagreements in the previous Administration between the Executive branch and the Congress.

Let me answer it this way right now. First of all, as I said in other contexts, my instructions from the President and my understanding from the President is that he intends full candor and cooperation with this Committee and the House Committee in these reporting responsibilities. My own belief is that the circumstances would be very rare under the statutory provisions in which there would be anything other than prior notice. Prior notice ought to be the rule and I think that will certainly prove to be the case for any of these activities in this Administration.

I find it difficult to hypothesize a situation in which a delay in reporting would need to, for any reasonable reason, be longer than a very few days. But this reporting obligation is the President's obligation, not mine, and this issue relates centrally to his perception of his constitutional rights vis a vis the Congress in an extremely important area.

I would like to defer to him for his consideration and certainly for that of his Attorney General when that individual is nominated and confirmed. Any consideration of what they may or may not want to say and the President may or may not want to claim vis a vis Congress with respect to his constitutional duty to report in all cases within 48 hours, I simply don't want to presume myself to make a recommendation at this time that would constrain, even indirectly, his options in making that determination himself.

Chairman DECONCINI. You don't want to give a personal view of it?

Ambassador WOOLSEY. Well, the most I would like to say is I find it extraordinarily difficult to come up with a hypothetical in which there could be any reasonable reason for a delay longer than a very few days.

Chairman DECONCINI. I would like to secure a more definitive answer, but I appreciate the situation you are in. What I would like to know is how you feel personally, and when the President decides, how he feels about amending Section 503 to require prior notice except in genuine extreme emergencies, and is it appropriate to codify a strict 48 hour rule where prior notice is given. And if you can't answer that because of what you just said, I respect that, but that is of great interest to us.

You are correct, Mr. Woolsey, that this Committee tried to move on that legislation, and it was bipartisan in the sense, Senator Cohen, the Vice Chairman, was the author of it. I believe my recollection is correct. And Senator Boren and a number of us wanted to see that implemented but there was great resistance, both from the Agency and from the White House.

If you could let us know when you can voice your opinion and that of the President.

Another subject I would like to talk about is the public role of the DCI. You bring to this job a wide variety of public involvement and public pronouncements and op ed pieces and opinions that you

have stated. You've been an advocate on policy matters for different Administrations and done so quite well. And the President and the rest of the government has to take policy decisions and advocate them and sell them to the public. What I am interested in knowing is where are you going to be? It seems ostensibly that the DCI may be saying only what the intelligence really says if he speaks out on it. But if the intelligence happens to support the Administration's positions, he is very likely to be accused of shaping intelligence to fit the particular policy. And if the intelligence doesn't support the Administration's policy public view and he says so, then he may be termed not a team player. And your predecessor, at his confirmation hearing, said that he would cope with this dilemma by refraining from making public speeches on policy issues.

I would like to ask you a series of questions. I can do it one at a time or you can take them all down, if you want to. How do you intend to deal with this, and what should be DCI advocate policy positions in speeches or in Congressional testimony. And does the DCI in your view have a responsibility to grant interviews to members of the media, and under what circumstances if they do. Any background you can give me on that would be very helpful in the process, and quite frankly, it would lay perhaps the foundation if your position is any thing similar to what your predecessor was.

Ambassador WOOLSEY. Mr. Chairman, thank you. It is a very important question. As I read my—the role of the DCI in the National Security Act and in 12333, it is connected entirely with the provision of accurate intelligence to the President and other officials who need to have it, and all sorts of ancillary responsibilities to that end, such as protecting intelligence sources and methods and the like. I do not believe that the DCI should be in the business of advocating policy positions on substantive issues, which was one reason I was reluctant to respond to Senator Warner and will be, on substance, even in executive session.

I think that the granting of interviews, for example, to the press ought to be done sparingly by the DCI. It ought to involve intelligence matters, intelligence policy matters and the like. And from time to time, where appropriate, the Intelligence Community already does and I would think we should continue this, assist the media in understanding the substance of what we know at whatever level of declassification we can manage with respect to foreign conditions and what's going on in foreign countries.

But I do not think it should be the role of the DCI to advocate specific policy approaches towards individual crises or countries or weapons systems acquisitions or anything like that. Now, I want to add a caveat, however. In order to be useful, not only the DCI but all the way down the line to the most junior analyst, the Intelligence Community needs to be involved in and present in policy discussions. And I think self discipline requires that one be there as a questioner rather than as an advocate, that one be there to understand what options are seriously being considered so that one can provide accurate intelligence, and that one make sure that a full range of intelligence is available on the options that policy-makers are looking at.

That is not always a perfect, clear, bright line, and I think you are quite right in saying that my own history, particularly with re-

spect to the amount of writing I have done and the fact that I have been involved in a number of policy positions in government suggests that I might from time to time have a hard time and that I will need to, in Archie Bunker's words, stifle myself to keep from saying, I think we should do X or I think we should do Y, whether that is in private in a meeting or in public in an interview. But I intend to exert every human effort to stay out of the policy recommendation business and if I do not stay out of it, I expect a number of my colleagues in the Executive branch, and frankly, you and Senator Warner and your colleagues, to let me know about it.

Chairman DECONCINI. Well, certainly it is encouraging in my opinion that you stay out of it from the public point of view. I think it is very appropriate if you are in it if that is what the President wants you to be in it. You are one of his advisors and I see that as a different role completely than going out and making a speech at the New York Bar Association or some place, or the Press Club here, advocating a position that the President has taken publicly.

Ambassador WOOLSEY. I suppose I would add that should the President on any occasion privately ask my view on something, I would give it to him, of course.

Chairman DECONCINI. Sure. Thank you. Senator Warner.

Senator WARNER. I can't resist saying that the other day I saw a question among the leading sports writers and coaches on an issue not dissimilar to that, and one coach said, when I get to that point, the best thing to do is to try and give myself a charley horse between the ears, which I thought was a pretty good line. [General laughter.]

Let's talk about another subject that is of great interest to me, and that is the sharing of U.S. intelligence information with other governments or international organizations is a tough call on your part. Because of the growing threat posed to the U.S. and its friends and allies by the proliferation of weapons, particularly weapons of mass destruction, and I believe it is important to look closely at the possibility of establishing an international database of information on these suppliers and the seekers of that technology.

How do you propose to move first on the idea of dissemination of intelligence, generally speaking, with foreign governments, and secondly, specifically on this question of weapons of mass destruction?

Ambassador WOOLSEY. Well, the United States already has a number of liaison relationships with foreign countries, and we share, as I understand it, different types of data with different countries, based on a whole series of circumstances, and they share with us.

Senator WARNER. I would hope that you would exercise a measure of discretion and oversight in that area.

Ambassador WOOLSEY. That is part of my job, as I see it, Senator Warner, if I am confirmed. I think it is far easier, although it is somewhat more cumbersome, it is generally far easier to do that in a series of bilateral relationships than it is with respect to some kind of an international database. Certainly in circumstances such as the Gulf War, as I mentioned earlier, we share intelligence fairly widely with a number of countries that were in the war on our

side. And there are cases such as a UN Chapter 7 enforcement action, like that, in which one might be in the business of sharing certain militarily relevant intelligence promptly with several countries.

But I think that with respect to proliferation, which will be a problem that we will have to deal with day in and day out for many, many years to come, with a large number of countries, there is simply no substitute for carefully assessing, country by country, what one can share and still protect sources and methods and negotiate with them about what they would share with us. I think it is a series for one on one relationships.

Senator WARNER. I presume that your thoughts with respect to the current U.S. involvement in Somalia would parallel those with Bosnia and to the extent you wish to share views, you'd prefer to do that in executive session.

Ambassador WOOLSEY. Yes. And even—what I would hope to share in executive session is my views about how we can provide better intelligence in those circumstances and what intelligence might be relevant to different options as distinct from what I think we ought to do.

Senator WARNER. There are some voices that argue that there is a trend towards openness in the former Soviet Union and elsewhere throughout the world. They argue that a way to save money is to collect and exploit open source material rather than emphasize clandestine collection. Others have argued that the task of collecting public information should not be given to U.S. intelligence though it should analyze and factor such information into its reports. They fear that U.S. intelligence will start to classify or limit access to public information that it collects overseas. They argue that the core mission and comparative advantage of U.S. intelligence over other government entities that perform analysis is the acquisition of information that states are trying to keep secret. Finally, they argue that many countries, including the states of the former Soviet Union, continue to seek to deny the U.S. massive bodies of information. They conclude that a focus on open sources is simply a mechanism to cut the budget.

Question. U.S. intelligence does collect a certain amount of public information, but is significantly increasing the collection of open source material rather than its analysis a proper activity or role of U.S. intelligence?

Ambassador WOOLSEY. I think that the reason for existence for the U.S. Intelligence Community is principally to acquire information that is not open source. And the particular expertise and systems and efforts of the Intelligence Community principally exist for that purpose. But as a country moves, as has, for example, Russia recently into a world in which there is a great deal available publicly—newspapers and the like—it may be that it is easier for intelligence collection which is principally designed and being used for other purposes to be used in an ancillary way to collect open source information, particularly if other government agencies for one reason or another are not doing it or are not staffed to do it and the like. It also may be that it is easier and more efficient and more accurate for the same translator, let's say, who has an expertise in a certain technical field in a foreign language, if he is translating

intelligence information that is not open source, and understands the issue, to also be translating open source information. The open source information may well correlate with the intelligence information and make him or her better able to understand the issue.

The challenge is, I think, two-fold. First of all, to ensure that when, in this more or less ancillary fashion, the Intelligence Community collects open source information, it can both use it together with intelligence information, but it also keeps it separate in some way so that it is accessible to others in the government who do not have, let's say, a security clearance or perhaps in some circumstances, if we can figure out how to do it, even to these outside government.

This problem is a distant cousin, I think, Senator Warner, to the problem of whether military forces which are in fact designed to fight also ought to be doing other things such as humanitarian assistance and the like. It is not a clear, simple, bright line. But I do think that the Intelligence Community should principally be designed and sized to collect intelligence information from non-open sources. There is, however, a good deal that is useful that it can do while it is doing that in the open source world.

Senator WARNER. Well, I just want you assurance that even though countries are very open, it still does not, in my judgment, justify our government from not still having some clandestine activity.

Ambassador WOOLSEY. Oh, absolutely.

Senator WARNER. We agree on that.

Alternatively, is there a need for a new institution outside the Intelligence Community that could collect and disseminate public information for all government entities, including U.S. intelligence agencies, so that they can include such information in their analyses?

Ambassador WOOLSEY. I think that the establishment of new entities often takes a lot of time and effort, and there may well be existing entities, whether in the State Department, for example, or the Commerce Department, that acquire open source information, and which, for a time, as they learn how to acquire this information better in societies which are newly more open, may require some assistance from the Intelligence Community, but the Intelligence Community may over the months or years, be able to somewhat work itself out of a job in those areas. And I think it is a gradual thing.

Senator WARNER. Let me sort of quickly move to, just quickly, Mr. Chairman, a few more of what I call technical legal questions. Do you agree to fully adhere to the requirement in Section 502 to furnish the Intelligence Committee any information or material concerning the intelligence activities which is within your custody and control, and which is requested by either of the Intelligence Committees in order to carry out their authorized responsibilities?

Ambassador WOOLSEY. Yes.

Senator WARNER. You seemed to suggest in your response to the Committee questionnaire that the DCI has a responsibility under the law to report illegal intelligence activities to the Intelligence Committees in a timely fashion, as well as to identify any corrective action. You touched on this with the responses to the Chair-

man. Yet the National Security Act levies this responsibility on the President, not the DCI. Can you be a little more clear about what you believe your obligation is in this area?

Ambassador WOOLSEY. I think you are correct, Mr. Chairman—I mean Senator Warner. This obligation—the obligation of the DCI in this circumstance I believe is to—certainly to inform the President and as, I believe Mr. Gates put it in his hearings, to continue to press that such material be disclosed. I would hasten to stress that with this President I have no doubt that candor and openness is the approach he would choose in dealing with the Congress.

Senator WARNER. Are you giving this Committee then your personal commitment to make such reports, even though you do not have that statutory responsibility?

Ambassador WOOLSEY. As Mr. Gates said in his testimony—

Senator WARNER. I am not worried about Mr. Gates; I am worried about Ambassador James Woolsey.

Ambassador WOOLSEY. I understand, but this is a continuation of policy is all I wanted to state. The obligation of the DCI I think is first and foremost in this regard to report to the President. But should there ever hypothetically be a lack of information going to the Congress, it could well put the DCI, put me into a situation in which resignation would have to be contemplated and I would adhere to the approach towards this that has been the case of the last number of years.

Senator WARNER. Let me try it slightly differently. Do you expect or do you intend to recommend to the President that he formally delegate this responsibility to you through a Presidential directive?

Ambassador WOOLSEY. I have no reason to contemplate that at this point, Senator Warner.

Senator WARNER. Covert action. The National Security Act levies on the President, not the DCI, the requirements to approve covert actions, to approve significant changes in covert actions and to notify Congress. During the Bush Administration, in practice, the staffing of a Presidential Finding pursuant to a covert action, to changes in a covert action as well as Congressional notification fell upon the DCI. Will this Administration continue this most recent practice?

Ambassador WOOLSEY. I was under the impression, Senator Warner, that this was, under the statute, a Presidential requirement. I am not familiar with the delegation or the practice that you describe.

Senator WARNER. Well, would you take a look at this question and revise and expand your answer as appropriate for this record?

Ambassador WOOLSEY. Certainly.

Senator WARNER. Continuing on covert action. Assuming current practice remains the same—now you may not be able to answer this one—will you agree to ensure that under normal circumstances required by law, Congress receives prior notification of covert actions or changes in covert action.

Ambassador WOOLSEY. When the Chairman and I ran through this same area a few minutes ago, Senator Warner, I said that yes, I believe that in all but the rarest cases, prior notification would be the appropriate course of action in the case of covert actions and would so recommend to the President.

Senator WARNER. And the timely fashion formula?

Ambassador WOOLSEY. In the timely fashion formula, yes.

Senator WARNER. All right.

Let's try a definition of timely notice, then. We may be slightly redundant in our questions, but if you'll indulge me.

Ambassador WOOLSEY. I understand.

Senator WARNER. If you'll indulge me.

As you know, there has been some disagreement as to the meaning of, quote, "notification in a timely fashion," end quote. Some argue that it is a matter of days after the initiation of the covert action. Others argue that it would be weeks or months. In practice, for the last seven years, every Finding has been viewed on the Congress within 48 hours of signature. What is your view on how soon notifications of covert actions must be made in order for them to be made in "a timely fashion?"

Ambassador WOOLSEY. Well, I find it difficult to conceive of a hypothetical case in which even on those rare occasions when notification would be withheld and not subject to prior notice, I find it difficult to conceive of a hypothetical in which notification would be further withheld for more than a few days. But I said earlier, this is an area of Presidential prerogative with respect to constitutional matters—

Senator WARNER. I recognize that.

Ambassador WOOLSEY. And I would prefer to wait and let the President and with the advice of an Attorney General, once appointed, make a determination on that.

Senator WARNER. Bottom line, it becomes a credibility issue between the President and yourself and the Congress.

Ambassador WOOLSEY. I understand.

Senator WARNER. And you fully appreciate the value of maintaining the highest degree of credibility in that area.

Ambassador WOOLSEY. I do, indeed, Senator Warner, and more importantly I am convinced the President is convinced of the need to maintain that credibility.

Senator WARNER. Pursuing Section 504 of the National Security Act requires that funds appropriated to an intelligence agency may be obligated or expended only if specifically authorized or in the case of unforeseen circumstances, approved by a reprogramming.

Do you agree to faithfully abide by this requirement of Section 504 of the National Security Act?

Ambassador WOOLSEY. Yes, Senator. We will follow the law with respect to that, whatever the law proves to be.

Senator WARNER. Just in summary, one old lawyer to another, one old friend to another, can you assure the Committee that you will faithfully adhere to the legal requirements governing the approval and reporting procedures for covert actions?

Ambassador WOOLSEY. Yes.

Senator WARNER. Can you assure the Committee that you will faithfully adhere to all other legal requirements governing the intelligence activities of the United States?

Ambassador WOOLSEY. Yes.

Senator WARNER. If you detect wrongdoing by your colleagues or superiors, can you assure us that you will bring it to the attention

of appropriate authorities including the relevant Congressional Oversight Committees?

Ambassador WOOSLEY. I would follow the procedures on that that have, I believe, been the case for some years, which is if we—the Intelligence Community discovered wrongdoing in the intelligence field as part of another department or agency, I would first call it to the attention of the head of that department or agency and suggest that he report it to the Congress. If he didn't do so, I would go to the President. If that were for some hypothetical reason ineffective, I would consider it my own obligation.

Senator WARNER. Mr. Chairman, I wish to compliment you and other Members of the Committee. I think we have had a very good and thorough hearing, and I wish to compliment the witness in his forthright responses. I anticipate early confirmation.

Ambassador WOOSLEY. Thank you, Senator.

Chairman DECONCINI. Thank you, Mr. Woolsey. I thank the Vice Chairman for that, and I appreciate your position you are in and you obviously are an excellent lawyer. I say that with all respect, and appreciating that you can't give us all the clear answers at least that I would like to hear. I am not going to pursue those, because I think you have made it very clear that you will get back to us once you know what the direction is and am I correct that we will hear more from you after you are confirmed and in place and have an opportunity to develop with the President and his senior advisors exactly where you are going to go on a few of these questions that were not specifically answered?

Ambassador WOOLSEY. The sole caveat I would offer to that, Mr. Chairman, is that with respect to those obligations that are uniquely the President's, it would of course be in his hands exactly how the Congress is informed. But my every confidence that the—

Chairman DECONCINI. What I am talking about is that I hope that it is clear to you and clear to me and this Committee that you intend to get back to us on many of the questions that you could not be specific, such as the 48 hour rule, even if it is not what we want to hear, so we know where you stand on it, as well as some of the other issues and questions that have been raised. You have indicated you are not sure you know where the budget cuts will be, what the emphasis will be, whether or not the further four percent reduction that the President talked about and further cuts in defense will actually be four percent, and whether or not it will apply to the Intelligence Community which is within the defense budget. Those are the kinds of things I do not want to leave unanswered.

Ambassador WOOLSEY. Yes.

Chairman DECONCINI. You will be prepared to come back sometime once those things are determined.

Ambassador WOOLSEY. That's correct, Senator DeConcini. Let me—with respect to the number of topics you mentioned after the 48 hours, I think that is quite clear and the simple answer is yes. With respect to the 48 hours, I just—I really have to say one more time that ultimately the question whether he chooses to assert a constitutional right in those circumstances—that is, the circumstances of any delay in notification beyond a few days, is the President's.

Chairman DECONCINI. No, I understand that. And that is really not my question. My only question is you are going to get back to us and tell us what that position is once you know it, is that correct?

Ambassador WOOLSEY. Once the President makes a determination and authorizes me to communicate. But with respect to my own obligations under the statute, on all matters I would pledge to return to the Committee.

Chairman DECONCINI. I mean, we are looking to you for what the President has in mind, whether it is advising us on prior notice covert actions or on the budget, we are going to not be asking the President, we're going to be asking you. I'm not suggesting that you have to tell me something that is different than the President, but if the President says no, I am against the 48 hour statutory suggestion of Congress, I would just like to know, rather than introducing the bill and then trying to push it through Committee and all of a sudden have him say it.

Ambassador WOOLSEY. Mr. Chairman, let me say it this way: I believe in light of this discussion, and particularly once there is an Attorney General in place, I owe you a further response with respect to the 48 hour issue. What I don't want to tell you is that my response will necessarily be either clearly yes or no on 48 hours, but I think I owe you something further.

Chairman DECONCINI. Mr. Woolsey, I'd hate to be in court with you, I'll tell you that.

Thank you.

We will recess until 5:00 p.m. where we will convene in Room 216 of this building for the closed hearing and the questions at that time, Mr. Ambassador.

Ambassador WOOLSEY. Thank you, Mr. Chairman.

[Thereupon, at 4:05 o'clock p.m., the Committee was recessed.]

# COMMITTEE VOTE ON THE NOMINATION OF R. JAMES WOOLSEY TO BE DIRECTOR OF CENTRAL INTELLIGENCE

WEDNESDAY, FEBRUARY 3, 1993

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

The Select Committee met, pursuant to notice, at 10:48 a.m., in room SH-219, Hart Senate Office Building, the Honorable Dennis DeConcini (chairman of the committee) presiding.

Present: Senators DeConcini, Metzenbaum, Kerrey of Nebraska, Graham of Florida, Bryan, Kerry of Massachusetts, Johnston, Warner, D'Amato, Danforth, Chafee, Lugar and Wallop.

Also, Present: Norman Bradley, Staff Director; Britt Snider, Chief Counsel; Kathleen McGhee, Chief Clerk; and Regina Genton, Fred Ward, Judy Ansley, Charles Battaglia, Tim Carlsgaard, Cullum Clark, John Despres, Peter Dorn, Arthur Grant, William Griffies, David Halperin, Pat Hanback, Mike Hathaway, Judy Hodgson, Sarah Holmes, Edward Levine, Karen Lydon, James Martin, Chris Mellon, Zach Messitte, Don Mitchell, Joan Piermarini, Jennifer Sims, Gary Sojka, Chris Straub, Mary Sturtevant, Tawanda Sullivan, Tracey Summers, Jim Van Cook, Jim Wolfe and Sheryl Wood, Staff Members.

## PROCEEDINGS

Chairman DECONCINI. The Committee will come to order. I want to thank the Members for showing up for the quorum today.

The Committee meets this morning to consider the nomination of James Woolsey to be the Director of Central Intelligence. The nominee has met the requirements of the Committee in terms of answering the background questionnaire, providing the financial disclosure statement.

His academic and professional credentials are impeccable. A graduate of Stanford, where he became a Rhodes scholar, with a graduate degree from Oxford and a law degree from Yale Law School, he has also served with distinction as the Under Secretary of the Navy during the Carter Administration, and as Ambassador to the Conventional Forces in Europe talks where he led the U.S. team to a successful negotiation of a very complicated and important treaty. He has written and spoken frequently and eloquently on public policy issues.

Yesterday we had the opportunity to question the nominee both in open and closed session. He acquitted himself quite well. While

in some instances he was unable to answer our questions pending the Administration's development of positions, I do not fault him for this. He has impressed me with what I think is a genuine commitment to the oversight process and to work with this Committee. The importance of this commitment cannot be overemphasized.

No Member of the Committee has expressed to me any reservations concerning this nominee. It therefore seemed to me that we should proceed to vote on this nomination today.

I will yield to Senator Warner and anyone else who wants to make an opening statement. We do have to waive some rules here in order to do that.

Senator Warner.

Senator WARNER. Very briefly, Mr. Chairman.

We should also have the record reflect that you and I have examined the FBI record. We assure our colleagues that there is nothing in there which in our collective judgments would in any way impair this man's ability to serve, or should influence your judgment with respect to the vote you are about to cast.

Mr. Chairman, I have known the nominee for many years. I would like to go on record as saying I think he is exceptionally well qualified and I anticipate that he will serve in his post with great distinction. He comes from a bipartisan background of public service, and I think he will carry forward in this new assignment in the same manner, recognizing that the services that he will perform, the country and our President and the Congress and the citizens should be done in a bipartisan manner.

Chairman DECONCINI. Any other Members care to make any statements?

Senator CHAFEE. Well, Mr. Chairman—

Chairman DECONCINI. The Senator from Rhode Island.

Senator CHAFEE. I think he is an excellent selection. I have had the privilege of knowing him for many years, and I commend President Clinton for his selection.

Thank you, Senator Chafee. Anyone else?

In order to proceed to a vote, we will need to waive the time limits in two of the Committee Rules. Paragraph 5.1 of the Committee Rules requires that we not vote on a nomination until we have had the nomination for 14 days. In this case we have had the nomination for 13 days. This requirement can be waived by a majority vote of the Committee.

Paragraph 5.5 of the Rules require that we not vote on the nomination until 48 hours after a transcript of the confirmation hearing has become available. Unanimous consent is required to waive this requirement.

I therefore move that the time limit as set forth in both of these Rules of the Committee be waived in order that we may proceed to a vote on the nomination.

I ask the Clerk to call the roll.

Mrs. MCGHEE. Mr. Metzenbaum.

Mr. Glenn.

Chairman DECONCINI. Aye by proxy.

Mrs. MCGHEE. Mr. Kerrey of Nebraska.

Senator KERREY of Nebraska. Aye.

Mrs. MCGHEE. Mr. Bryan.

Senator BRYAN. Aye.

Mrs. MCGHEE. Mr. Graham of Florida.

Senator GRAHAM of Florida. Aye.

Mrs. MCGHEE. Mr. Kerry of Massachusetts.

Senator KERRY of Massachusetts. Aye.

Mrs. MCGHEE. Mr. Baucus.

Mr. Johnston.

Senator JOHNSTON. Aye.

Mrs. MCGHEE. Mr. D'Amato.

Senator D'AMATO. Aye.

Mrs. MCGHEE. Mr. Danforth.

Senator DANFORTH. Aye.

Mrs. MCGHEE. Mr. Gorton.

Mr. Chafee.

Senator CHAFEE. Aye.

Mrs. MCGHEE. Mr. Stevens.

Mr. Lugar.

Senator LUGAR. Aye.

Mrs. MCGHEE. Mr. Wallop.

Senator WALLOP. Aye.

Mrs. MCGHEE. Mr. Warner.

Senator WARNER. Aye.

Mrs. MCGHEE. Mr. DeConcini.

Chairman DECONCINI. Aye.

And Mr. Baucus, aye by proxy, and Mr. Metzenbaum, aye by proxy.

Mrs. MCGHEE. Fifteen ayes and no nays.

Chairman DECONCINI. Fifteen ayes and no nays.

I asked unanimous consent and no one opposed it, to waive the 48 hour rule limit set forth in the Rules of the Committee.

I call for a vote on the nomination of Mr. R. James Woolsey to be the Director of Central Intelligence.

Is there any discussion on the nomination and the motion?

(No response.)

Chairman DECONCINI. If not, the Clerk will call the roll.

Mrs. MCGHEE. Mr. Metzenbaum.

Chairman DECONCINI. Aye by proxy.

Mrs. MCGHEE. Mr. Glenn.

Chairman DECONCINI. Aye by proxy.

Mrs. MCGHEE. Mr. Kerrey of Nebraska.

Senator KERREY of Nebraska. Aye.

Mrs. MCGHEE. Mr. Bryan.

Senator BRYAN. Aye.

Mrs. MCGHEE. Mr. Graham of Florida.

Senator GRAHAM of Florida. Aye.

Mrs. MCGHEE. Mr. Kerry of Massachusetts.

Senator KERRY of Massachusetts. Aye.

Mrs. MCGHEE. Mr. Baucus

Chairman DECONCINI. Aye by proxy.

Mrs. MCGHEE. Mr. Johnston.

Senator JOHNSTON. Aye.

Mrs. MCGHEE. Mr. D'Amato.

Senator D'AMATO. Aye.

Mrs. MCGHEE. Mr. Danforth.

Senator DANFORTH. Aye.

Mrs. MCGHEE. Mr. Gorton.

Mr. Chafee.

Senator CHAFEE. Aye.

Mrs. MCGHEE. Mr. Stevens.

Senator WARNER. Aye by proxy.

Mrs. MCGHEE. Mr. Lugar.

Senator LUGAR. Aye.

Mrs. MCGHEE. Mr. Wallop.

Senator WALLOP. Aye.

Mrs. MCGHEE. Mr. Warner.

Senator WARNER. Aye.

Mrs. MCGHEE. Mr. DeConcini.

Chairman DECONCINI. Aye.

Mrs. MCGHEE. Fifteen ayes and no nays.

Chairman DECONCINI. Fifteen ayes and no nays.

Senator WARNER. Mr. Chairman, we would like to keep the record open for a reasonable period, since the vote will not change the outcome.

Chairman DECONCINI. The nomination is approved.

The vote will remain open until 5:00 o'clock today.

[Thereupon, at 10:55 a.m., the Committee was recessed.]



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