STATEMENT FOR THE RECORD OF LEON PANETTA BEFORE THE SELECT COMMITTEE ON INTELLIGENCE UNITED STATES SENATE FEBRUARY 5, 2009

Madame Chairman, Mr. Vice Chairman, and distinguished Members of the Committee, I am honored to appear before you today as the President's nominee to lead the Central Intelligence Agency.

I want to begin by thanking the President for placing his confidence in me to lead this critical Agency during a time of great peril but also great opportunity.

In particular, I want to thank you Madame Chairman, Mr. Vice Chairman, the Members of this Committee, and their staffs, for the time they spent with me over the past two weeks and for agreeing to serve as overseers of our nation's intelligence services.

And, of course, I could not have served in public life for 40 years without the love and support of my family, in particular my wife of 46 years, Sylvia, who has been with me every step of the way. She regrets not being able to be here, but she now has sole responsibility for running the Panetta Institute.

In preparing for this day, I had the opportunity to talk with most of the former Directors of CIA. They gave me excellent advice and shared many lessons learned, especially President George H.W. Bush, who ran CIA and, later, was its most important consumer. They all told me to listen carefully to the professionals at the Agency, but also to stay closely engaged with Congress. If confirmed, that is exactly what I intend to do.

CIA is on the front lines in the effort to defend this nation. CIA is a professional organization, comprised of dedicated women and men whose service to America is, out of necessity, often unrecognized and unacknowledged. At this hour, CIA officers are living in the most austere corners of the globe – serving away from their families, often undercover, and sometimes under fire. There are no marching bands to trumpet their valor and no monuments to mark their campaigns – just the quiet dedication to the mission.

When President Obama asked me to lead this organization he said he wanted someone whom he could trust, who was independent, and who would call them as he sees them. Someone who would tell policymakers what they needed to know, not what they wanted to hear. And someone who knew how to get things done in a bipartisan, professional manner. Those goals were precisely what led President Truman to create a center for intelligence in 1947. With the lessons of Pearl Harbor fresh in his mind, he wanted a single entity that would pull together all intelligence coming into the government and analyze it in a timely way, without the bias that was often injected by the policy agencies. CIA has been serving in that important role ever since, and I believe it continues to be one its most preeminent functions.

I began my public service career in the Army as an intelligence officer, where I was proud to wear the uniform. Over four decades, I worked with policymakers, served in Congress, led a large and complex federal agency, and served as White House Chief of Staff. At OMB, I was responsible for the federal budget, including the funds spent on our clandestine activities and our covert actions. At the White House, I was a consumer of some of the most sensitive intelligence our agencies produce. And during my service on the Iraq Study Group, we benefitted tremendously from the insights provided by CIA and other intelligence agencies.

The last several years have been a period of tremendous change and daunting challenges for CIA. The government-wide failure to prevent 9/11; the 2002 Iraq NIE that missed badly on weapons of mass destruction; and the controversies over the laws and policies governing rendition, detention, and interrogation – these issues emerged in war, challenged policy makers, and are well known to the Committee, having consumed much of your time and energy.

We are a nation at war, and since the attacks of September 11, 2001, CIA has been on an operational tempo unlike any in its history. Its budget has increased. Its missions have expanded. The legal authorities governing CIA have shifted.

The Agency was the first on the ground in Afghanistan. It has been asked to run spies, analyze threats, undertake covert action, and work with other intelligence services to keep Americans safe. Few areas of the government have changed in the past decade as much as CIA in the effort to protect this country.

I believe the Director should be responsible for shaping the role of CIA in the twenty-first century to protect this nation, to provide credible and accurate intelligence to policy makers, to undertake those missions that will enhance our security, and to always perform our responsibilities according to the law and our Constitution.

Let me outline three areas that I believe will require my particular focus, if I am confirmed.

First, I want to work with the professionals to get into the details of all of our operations and to make certain there we are responding to our fundamental intelligence needs. In this endeavor, I will have a full partner in Steve Kappes, one of the most senior intelligence officers at the Agency, who has agreed to serve as my deputy. I will rely on him and the professional officers at CIA to analyze precisely: (1) our intelligence, (2) the quality and credibility of that intelligence, (3) any gaps that exist, and (4) what we are doing to fill those gaps.

Let me be specific. We know that Al Qaeda has reestablished a safe-haven in the border region between Pakistan and Afghanistan. We know they want to hit us again. But we don't know where that next attack will come from, and we don't have answers to a range of important questions. How do we deny Al Qaeda its safe haven? How do we effectively operate against this target and their command structure? Where are Usama Bin Ladin and his top deputies hiding?

We know that Iran is enriching uranium and supporting terrorists. But we don't know when they will have that capacity or what exactly it will take to get Iran off of its dangerous path.

We know that the situation in Afghanistan remains unstable. But we don't know what it will take to reverse that trend, to stop the Taliban, or to control corruption and institute long-term stability.

We know that there have been security gains in Iraq. But we don't know whether these gains will translate into political stability and create favorable conditions for a safe U.S. drawdown of forces.

We know North Korea detonated a nuclear weapon in 2006. But we don't know whether Kim Jong-II is prepared to give up that nuclear capability once and for all.

We know that our communications networks are vulnerable to malicious activity and cyber threats. But we don't know what our adversaries are planning and what damage they are capable of inflicting.

These are just some of the crucial areas that require good intelligence. And job one will be to look at Agency operations and make certain that we meet these demands. This will take time. But it is our most important task.

Second, I want to focus on improving intelligence coordination and collaboration. Under the 2004 law passed by Congress, CIA continues to conduct Human Intelligence, or HUMINT, operations, but the CIA Director "reports" to the DNI. The law states that the DNI is the principal intelligence advisor to the President. I have been working with Admiral Blair in the days since our nomination to create a process that will foster collaboration and teamwork. Admiral Blair is an outstanding leader. As a combatant commander, he understands "jointness." And he and I have pledged that we will keep the lines of communication open between us. And this is an important point: CIA does not operate in a vacuum. Everyday, the Agency is working with the State Department, the military, the National Security Agency, the National Reconnaissance Office, the National Geospatial-Intelligence Agency, the FBI, the Department of Homeland Security, and others. We are part of one team, and I pride myself on the ability to get members of a team – in this case, across many agencies – to work together.

Contrary to the views of some, I believe that the new structure can work effectively for CIA. The Director is freed from his community management function. The CIA Director has become <u>the</u> National Human Intelligence Manager – meaning our professionals are responsible for training, standards, and operations for HUMINT collection across the government. We take the lead with our liaison partners. And we can focus on those things that no other agency can do, such as covert action.

Third, I want to rebuild a close working and consultative relationship with Congress. I believe the "Gang of 8" process was overused by the previous White House and, therefore, abused. Too often, critical issues were kept from this Committee. Keeping this Committee "fully and currently" informed is not optional. It is the law. It is our solemn obligation.

I believe that a strong partnership with this Committee – and with your counterparts in the House of Representatives – will improve CIA. You have a tremendous amount of expertise on this Committee. We can learn from you and we will partner with you.

Finally, there is a great deal the public cannot be told about CIA operations without revealing the same information to those who would do us harm. And so, CIA confides in you – and counts on you – to provide the oversight that the public cannot.

Madam Chairman, Mr. Vice Chairman, , if confirmed, I pledge not only to follow the law, but to go a step further and endeavor, as best as I am able, to rebuild the trust between Congress and CIA. That's not to say we'll always see things the same way. That's not to say you won't question us and hold us accountable where appropriate – I expect nothing less. But our objective ought to be the same: to give the Central Intelligence Agency all that it needs to succeed.

If confirmed, I will honor the history and professionals of CIA. I will also help turn the page to a new chapter in the Agency's history. I have been asked to do this job because we need a strong CIA that keeps us safe and upholds our values. I pledge to you that I will do everything in my power to make that goal a reality.

Thank you. I would be happy to answer any questions you may have.