

**Remarks by the Principal Deputy Director of National Intelligence  
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**AS PREPARED FOR DELIVERY**

Thanks, Richard. It's an honor to be here tonight.

Let me begin tonight by telling you two things: one you already know, and one you may not. To the first: In the Intelligence Community, there are many things we don't talk about. How's that for an understatement?

Here's the one thing you may not have known: our most privileged document – one of the things that, in a Community of tens of thousands of people, is only read by a handful. It is called the President's Daily Brief, or PDB. It's the daily intelligence summary that the Office of the Director of National Intelligence prepares for the President. Whenever the President is in town, DNI McConnell briefs the President on it himself. About 20% of the time, I do it. Each morning, six days a week, he or I go to the Oval Office with a few subject matter expert briefers, and lay out issues of concern around the world, as best we know it, from the top of the Intelligence Community. They are based on some of our best collection capabilities, coupled with our most exacting analysis.

This evening, I'm going to give you a notional view of some of the issues that will be raised in the Oval Office PDB on January 21, 2009. Let's imagine for tonight that you have just been sworn in – you're the 44<sup>th</sup> President of the United States, or, as we call it in the Intelligence Community, our "First Customer." For your first post-inaugural briefing, we'll give you a snapshot of where things stand now, and some overarching thoughts as to potential future developments.

Not all of these issues will be neatly interwoven – geopolitics isn't that pretty and easy to understand. The issues I'm going to discuss will, for the foreseeable future, remain the threats and challenges emanating from the Middle East.

First, let me give you our current perspective with regard to Iraq.

## **Iraq**

Security conditions in Iraq have improved markedly since 2007. The downward trend in the overall level of violence has continued. There are several factors contributing to this. Expanded Coalition and Iraqi Security Forces operations, changes in the Coalition's operational strategy to emphasize population security, and contributions of tribal and former insurgent local citizens groups commonly referred to as the Sons of Iraq—have weakened al-Qa'ida in Iraq. Together, these changes have helped us gain critical support from the populace, disrupt insurgent networks, and displace militants from former strongholds.

Despite these gains, a number of internal factors continue to undermine Iraq's security. Sectarian distrust is still strong throughout Iraqi society, and AQI remains capable of conducting operations and occasional spectacular attacks despite disruptions of its networks. Intra-communal violence in southern Iraq continues as Shia groups compete for advantage. The return of Iraqi refugees and internally displaced persons to their former homes and neighborhoods as security improves could rekindle ethnosectarian tensions in mixed communities and create an additional strain on the Iraqi Government's ability to provide security and basic services.

Efforts by some of Iraq's neighbors to exert influence in Iraq also endanger Iraq's security. Iran, for example, continues to provide weapons, funding, and training support to certain Iraqi Shia militants designed to increase Tehran's influence over Iraq and ensure the United States suffers setbacks. Bridging differences among competing factions and communities and providing effective governance is also critical for achieving a successful state, but progress on that road has been tough for Iraq.

Prime Minister Maliki's government has had limited success in delivering government services and improving the quality of life for Iraqis. Political accommodation will continue to be incremental and uneven. Iraq's political leaders have made progress on key legislation but remain at odds over many issues, including the powers of the central government, and the division of oil resources. Further progress depends on the ability of political leaders to negotiate these potential flashpoints.

## **Lebanon**

But, Mister or Madam President, Iraq is not the only nation struggling with sectarian tensions. I turn now to Lebanon and Syria.

Events in Lebanon since May 7 demonstrate that Hizballah – with the full support of Syria and Iran – will in fact turn its weapons against the Lebanese people for political purposes.

Hizballah sought to justify its attacks against fellow Lebanese as an attempt to defend the resistance against attacks by the government. In a May 8 speech, Hasan Nasrallah called the Siniora Cabinet decisions to declare Hizballah's private communications network illegal and removal of the head of security at Beirut International Airport a "declaration of war" and an unacceptable, first step toward disarmament.

The Hizballah-led opposition, backed by Syria and Iran, sought to parlay ground gained during the recent fighting into political advantage. Participants in the Doha negotiations were faced with the implicit threat of further violence if opposition demands were not met. March 14 Coalition leaders cited their awareness of public fears about continued violence as a motivation for making the compromises necessary to reach an agreement at Doha. In doing so, the March 14 Coalition showed a maturity of national leadership not demonstrated by Hizballah.

The Doha Agreement notwithstanding, Hizballah's early May actions inflamed the Sunni "street" in Lebanon and contributed to a dramatic increase in sectarian tensions. Lebanon has seen an upswing of rearmament among all factions during the last year or more and the events of early May will no doubt increase this trend.

The way ahead in Lebanon is uncertain. We hope that the agreement reached in Doha brings a measure of stability to Lebanon. But the sides remain deeply polarized and may be tempted to focus on undercutting each other in the run-up to the 2009 parliamentary elections, rather than on effective governance.

## **Syria**

Let's speak now about Syria, because the situation there is closely linked with the one we see in Lebanon. The regime in Damascus continues to undermine Lebanon's sovereignty and security through its proxies; to harbor and support terrorists and terrorist organizations opposed to progress on peace talks; and to allow terrorists and criminals to cross its borders into Iraq and Lebanon.

The Syrian regime, Hizballah, and pro-Syrian opposition elements in Lebanon have attempted to stymie international efforts to disarm militia groups which threaten Lebanese security and sovereignty. In addition to Hizballah, Damascus continues to support Palestinian rejectionist groups, including HAMAS and the Palestine Islamic Jihad.

These organizations continue to base their external leadership in Syria, and despite repeated demands from the international community, Syria refuses to expel them or their leaders from their safe-haven in Damascus.

Last week, the Israeli and Syrian governments announced that they have begun indirect peace talks through Turkey. However, Syria has not dropped its longstanding precondition for direct talks, namely that Israel essentially agree in advance to a complete withdrawal from the Golan Heights. While the resumption of dialogue could help reduce tensions between the two countries, Syria's unwillingness to stop supporting terrorists and distance itself from Iran is a key obstacle to a peace agreement.

## **Palestinian Territories**

You cannot have a discussion about Israel, though, without some analysis of the Palestinian territories.

Despite continuing high-level Israeli-Palestinian discussions on final status issues since the Annapolis meeting last November, concern persists over the Palestinian Authority's ability to meet its security obligations and to win popular support for or implement an eventual deal.

President Abbas and other moderates remain vulnerable to actions by HAMAS and other groups aimed at subverting an agreement and tensions between Abbas and HAMAS remain high. HAMAS feels increased pressure over a weakening economic situation and an accelerating humanitarian crisis in the Gaza Strip. That said, its popular support has remained stable since last June and the group remains fairly unified and has consolidated its security and administrative control of the Gaza Strip.

In the West Bank, we see signs of progress by Fatah, including improved security and law enforcement cooperation with Israeli forces in taking more effective action against HAMAS. The Palestinian public has not seen tangible positive changes in key areas, however, such as improving freedom of movement and freezing Israeli settlement expansion. Recent polling data indicates that popular support for the Palestinian government has slipped significantly.

## **Iran**

I turn now to Iran – a nation that has consumed much of our attention in Washington.

Supreme Leader Khamenei remains Iran's dominant decision-maker on both foreign and domestic issues, but the consolidation of power in the hands of Iran's conservative faction over the past several years has changed Iran's domestic political environment.

The regime has become more authoritarian—government opponents face a greater threat of repression and Iran's reformers are largely marginalized. That said, the conservatives' consolidation of power has revealed deep factional differences between supporters of President Ahmadi-Nejad's hard-line administration and less ideological forces opposing it.

Khamenei publicly supports Ahmadi-Nejad for now, but the President has faced increasing criticism from conservative rivals over his economic policies and aggressive posturing on foreign policy issues.

Ahmadi-Nejad is perhaps most vulnerable on economic issues. Despite rising oil income, Iran's economy is plagued by high inflation and unemployment. Ahmadi-Nejad's populist policies have fueled inflation—providing his critics with ammunition to question his competence. Iran's foreign activities constitute a direct and immediate threat to American interests. Public comments by Iranian leaders indicate that they believe that regional developments—including the removal of Saddam and the Taliban, challenges facing the US in Iraq and Afghanistan, and the increased influence of HAMAS and Hizballah—have given Tehran more opportunities and freedom to achieve regional power status.

This perception – and the increasing political influence of conservatives, who distrust the West and favor an uncompromising approach to international and security issues – is driving a more assertive Iranian foreign policy.

At the same time, Iranian leaders remain concerned that Washington intends to isolate and militarily encircle the Islamic Republic. In response, Iran is pursuing a range of efforts to undermine US influence. Tehran is especially focused on expanding ties in Iraq and the Levant to better position Iran to influence and exploit regional political, economic and security developments.

In Iraq, Iran appears to want a Shia-led central government which is receptive to Iranian economic and diplomatic influence, but which lacks the strength to challenge Iran's aspirations for regional leadership. Tehran has forged ties to Iraqi Shia leaders through diplomatic, economic, and security relationships. Tehran also is willing to tolerate near-term instability as it continues to support Shia militants who attack Coalition and Iraqi forces.

These attacks are intended to raise the political and human costs to the United States to ensure that Washington does not maintain a permanent military presence in Iraq. The U.S. military continues to find caches of Iranian-made weapons in Iraq, including rockets, small arms, and explosively formed penetrator devices, including some manufactured this year. Iran provides support to Hizballah and HAMAS as part of its broader efforts to challenge Israeli and Western influence in the Middle East.

Tehran continues to rearm and provide financial support to Hizballah to strengthen the group's ability to control Lebanon and threaten Israel. Tehran's aid and backing made possible Hizballah's recent attacks on pro-Government forces.

Tehran also seeks to exploit developments in the Gaza Strip to demonstrate leadership of resistance to Israel and bolster Palestinian opposition to peace with Israel. Tehran is exploiting international efforts to isolate HAMAS since its seizure of the Gaza Strip by providing financial aid and arms to the group.

In talking about Iran, we must also talk about last winter's National Intelligence Estimate on Iranian Nuclear Intentions and Capabilities.

## **Nuclear**

Over the past year we have gained important new insights into Iran's activities related to nuclear weapons, and in December the Intelligence Community published a National Intelligence Estimate on Iranian intent and capabilities in this area.

I want to be very clear in addressing the Iranian nuclear capability. There are three parts to an effective nuclear weapons capability:

1. Production of fissile material,
2. Design, fabrication, and testing of the nuclear warhead itself, and
3. Effective means for weapons delivery

In our NIE, we judged that Iranian military entities were working under government direction to develop nuclear weapons until fall 2003. But we also judged that in fall 2003, Tehran halted its

nuclear weapons design and weaponization activities—one of three essential requisites for an effective nuclear weapons capability—as well as its covert military uranium conversion and enrichment-related activities. We also assessed that Tehran had not restarted these activities as of mid-2007, but since the halted activities were part of an unannounced secret program that Iran attempted to hide, we do not *know* if it has been restarted.

Overt uranium enrichment efforts were suspended in 2003, but resumed in January 2006 and continue despite UN Security Council resolutions to the contrary and multiple rounds of UN sanctions.

These efforts, which can be used to produce power reactor fuel, will also provide Iran with the technological capacity to produce fissile material—the first and most difficult component of an effective nuclear weapons capability. Iran made significant progress in 2007 installing centrifuges in the production-scale facility at Natanz, and continues doing so. It also is conducting research and development of more advanced centrifuges.

- However, we continue to judge that Iran still faces significant technical problems operating centrifuges and that the earliest possible date Iran would be technically capable of producing enough HEU for a weapon is late 2009, but that is very unlikely. We judge Iran probably would be technically capable of producing enough HEU for a weapon sometime during the 2010-2015 time frame.

Iran's efforts to deploy ballistic missiles capable of delivering nuclear weapons, and to develop longer-range missiles, were not interrupted in 2003 and its activities related to the third component of an effective nuclear weapons capability continue today unabated.

We assess with moderate-to-high confidence that Tehran at a minimum is keeping open the option to develop nuclear weapons. In addition to its overt enrichment efforts and ballistic missile activities, we assess with high confidence that since fall 2003, Iran has been conducting research and development projects with commercial and conventional military applications—some of which would also be of limited use for nuclear weapons.

We assess with that convincing the Iranian leadership to forgo the eventual development of nuclear weapons will be difficult given the linkage many within the leadership see between nuclear weapons development and Iran's key national security and foreign policy objectives, and given Iran's considerable effort from at least the late 1980s to 2003 to develop such weapons.

As you are now well aware, Iran is not the only country in the Middle East of nuclear concern.

- We recently announced that Syria was nearing operational capability of a nuclear reactor that would have been capable of producing plutonium for nuclear weapons, and was inconsistent with peaceful nuclear applications. We are convinced that North Korea assisted with this reactor, which was destroyed by Israel in early September 2007 before it was loaded with nuclear fuel.

- We remain watchful for signs that other countries in the Middle East will seek nuclear weapons or weapons capabilities, most likely in response to an Iranian nuclear weapons capability. A number of countries in the region have recently expressed renewed interest in nuclear power.

In discussing the Middle East, it is easy to adopt an “over there” mentality: the wrong-headed view that what happens an ocean and time zones away doesn’t affect us here in the US.

Let me tell a little story I read recently. After the initial drafting of Franklin Roosevelt's “Four Freedoms,” one of his speechwriters, a gentleman named Harry Hopkins, challenged them.

“That covers an awful lot of territory, Mr. President. I don't know how interested Americans are going to be in the people of Java.”

“I'm afraid they'll have to some day, Harry. The world is getting so small that even the people in Java are getting to be our neighbors now.”

That “some day” is upon us – those words were indeed prophetic. Events in one part of the world – in this case, the Middle East – can clearly have an effect on us here in the U.S. We need only remember 9/11 to realize that.

Mister or Madam President, I can’t conclude this briefing without a discussion of the terrorist threat.

### **Threat**

Let me begin simply: There has been no attack against our homeland since 9/11. This was no accident.

In concert with federal, state and local law enforcement, the Intelligence Community helped disrupt cells plotting violent attacks. For example, last summer, we and our allies unraveled terrorist plots linked to al-Qa’ida and its associates in Denmark and Germany, and earlier this year our allies disrupted a network plotting attacks in Turkey.

We were successful because we were able to identify key personalities in the planning. We worked with our European partners to monitor the plotters and disrupt their activities. One of the intended targets was a US facility.

Our partners throughout the Middle East and elsewhere continued to attack aggressively terrorist networks involved in recruiting, training and planning to strike American interests.

Pakistani authorities—who have helped us more than any other nation in counterterrorism operations—increasingly are determined to strengthen their performance, even during a period of heightened domestic political tension exacerbated by the assassination of Benazir Bhutto and formation of a new government after the February elections.

Al-Qa'ida remains the preeminent terror threat to the US at home and abroad. Despite our successes, the group has retained or regenerated key elements of its capability, including its top leadership, operational lieutenants, and a de facto safehaven in Pakistan's border area with Afghanistan known as the Federally Administered Tribal Areas (FATA) to train and deploy operatives for attacks in the west.

Al-Qa'ida's Homeland plotting is likely to continue to focus on prominent political, economic, and infrastructure targets designed to produce mass casualties, visually dramatic destruction, significant economic aftershocks, and foment fear among the population.

## **Conclusion**

That, Mister or Madam President, was your first PDB. Now, in real life, there are many more details, it's much longer, and, well, *you're* actually the President, but you get the general idea.

Indeed, a presidential election isn't that far off, and, to some people, the natural inclination is to just slow down and wait. The next Administration, they figure, will have its own ideas, and there's no sense doing something that will only be un-done by the next occupant of the Oval Office.

In the late 1950's, author Allen Drury wrote about Washington as a city "built on the shifting sands of politics." What was reality one day could be only a faint memory the next. For most of Washington, that's probably true.

It's not the case, though, for the Intelligence Community. The Middle East threats and challenges I've laid out today are nonpartisan in nature and will confront our nation regardless of who is in the Oval Office to receive this briefing on January 21<sup>st</sup>. We in intelligence sit right in the middle of a unique Venn diagram – where priorities aren't Republican, aren't Democrat, they're all, each and every one, American.

In the Intelligence Community, we don't make policy. We tell the truth as best we know it. And I'm honored to have had the chance to share my views with you tonight.



**THE WASHINGTON INSTITUTE  
FOR NEAR EAST POLICY**

**ENERGY THREATS, CHALLENGES, AND OPPORTUNITIES**

**Q&A SESSION**

**DR. DONALD KERR,  
PRINCIPAL DEPUTY DIRECTOR,  
NATIONAL INTELLIGENCE**

**THURSDAY, MAY 29, 2008**

*Transcript by  
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MR. : Thank you very much, Dr. Kerr, for this tour de raison, and I think all of us take as a personal compliment merely the idea that we could be the next president of the United States of America. (Laughter.) I would like to open a question-and-answer session with you by asking – I don't know whether presidents would ask this, but after a recitation such as that, are there any opportunities to advance American interests in this sea of challenge and threat that you've just described?

DR. KERR: Well, in fact, I think the first thing to tell you is that a real president wouldn't let you get away with a simple recitation. There would be questions along the way, and what might have been wanting in terms of depth, accuracy, changes from one time to another would soon come to the fore.

The opportunities, of course, lie in a domain outside of intelligence. We can talk about the relative strength or weaknesses of parties or factions. We can talk about issues of resources, their availability and what that leads to. But the thing we do not do is try to lay out policy agendas. That is for others. We do talk about opportunity costs. That is probably as close as we get to that kind of interaction because, at some point, we have to recognize our job is to be as best an honest broker as we can for the information and leave to the policymakers the part of the job that's there.

MR. : Okay, thank you very much. I'd like to turn the floor over to my colleagues in the audience for their questions and comments of Dr. Kerr. I'll start with David Makovsky in the front center. And if you could please wait for the microphone and keep your questions fairly brief.

Q: Dr. Kerr, two questions. When you talk about Iran and its relationship to Syria, what are the odds, in your view, that Syria might peel off from Iran and rejoin an Arab coalition, which it has not been a part of lately? What would it take to get Syria out of the Iranian at least military orbit if not economic orbit?

And on the Lebanon question, it's been talked that the Lebanese armed forces didn't stand up to Hezbollah and led them to capitulate in Doha. In your view, was the problem with the Lebanese army issue merely of capability or was there a motivational problem, a high Shi'a percentage in the Lebanese armed forces that will not ever stand up to Hezbollah so Hezbollah could keep on pressing its advantage in Lebanon? Thank you.

DR. KERR: Well, those are two large and important questions. With regard to opportunities, if you would, to cause a divergence between Syria and Iran, there may be some – and we certainly spend a lot of our effort looking for those sorts of opportunities. I would think, for example, the present mediated discussions between Israel and Syria over the Golan Heights, if they were persuaded to a successful conclusion, might be a step along that path. Others might – you know, whether there are certain kinds of economic

or other pressures that could be brought to bear that would lead to that – and of course one of the important things is how do we convince Syria to be less supportive of the Iranian-financed Hezbollah presence, and of course Syrian-supported as well. And so I can't answer your question; I just can only talk about the things that we have to be alert for and keep watching as we go forward.

With regard to the Lebanese armed forces, of course part of the problem there is that army was itself made up of the different factions in Lebanon. And to some great degree, I think they elected to stay out of the conflict to avoid breaking into the factions themselves. As many of you know, the recently elected president of Lebanon is the former commander of the Lebanese armed forces. And whether his ability to keep that coalition in the army together can translate into an ability to keep some of these factions together in governing, I don't know. His hardest problem is that Hezbollah in the Doha negotiations achieved its objective of having a blocking minority in the government. And so a week into it, I would be hard pressed to give you any factual answer other than to tell you what the landscape looks like.

MR. : Thank you. Mike Stein in the center left.

Q: Dr. Kerr, since you made me president, I'm going to respond to you as if I were. And as you will find out as you continue to work for me – (laughter) – I am interested in more details than the very beautiful general panoramic picture you gave. You know, I realize I'm new on the job, but I really do want to know some more of the details. For example, you told me that the Iranians will have a fissile material suitable for a bomb sometime between 20 – 2010 and 2015. How do you know that? And five years is too long a period of time. Can you be more precise about it? And do you know exactly where those production facilities are – (laughter) – and how we can target them or what kind of weaponry will produce the result we want? I would hope also that you have some boots on the ground and you've done some mapping for us and you can give us precise directions of where to go and what to do. And, finally, at what point would you suggest to me that the Iranians have gone too far in this development and that I better do something about it before we pass the point of no return?

(Laughter, applause.)

DR. KERR: Well, Mr. Stein, I think you'll make a fine president. (Laughter.) And, obviously, you've gained support right here. (Laughter.) Some of the details we would of course include in the real brief. We know through the presence of the IAEA inspectors and other means, including the public display, somewhat of what the Natanz enrichment facility is capable of doing. We also know from those inspections what I told you earlier about the fact that it may not operate as well as the owners would like.

We know through the inspections that it's set up to produce material that's enriched to about 3.5 percent, which is suitable for power reactors. Now, that said, what don't we know, which I think is what you really asked. And that is, is there a facility we have yet to discover doing things that would lead them closer to weapons-grade material?

And that's one of our major intelligence challenges that we and those of our partners in this endeavor work very hard on.

At this point in time, we haven't found anything that would change the estimate we gave you of the 2010 to 2015. That said, if you had access to what I'll call reactor-grade material, that which is enriched to about 3.5 percent, you've done an awful lot of the work to get you to what you would need to produce weapons grade. And so the key indicators for us really lie in the enrichment programs, the supply of materials, and rather more than any concern with explosives and the engineering of a device. And it's because the access to materials is, in fact, the critical thing.

Just as a historical point, something you didn't know from my introduction is I actually was the fourth director of Los Alamos. And, historically, if you look back at the history of the Manhattan Project, the key issue turned out not to be how to assemble a supercritical mass. The key issue was how to get the enriched uranium or the plutonium for those first weapons. And you may recall that the plutonium device was tested in July, July 16<sup>th</sup> of 1945, and a mate to it was delivered on Nagasaki on August 9<sup>th</sup>. So, you know, the weaponization part, in fact, is an engineering job that people know how to do. The investment of capital and everything else in enriching materials is, in fact, the key and that's the one we're focused on.

MR. : Thank you. Dennis Ralson (ph) at the front?

Q: Dr. Kerr, I want to keep you on Iran if I could. But I'm going to do it based on what I heard you say. You conclude at this point that, given the nature of the Iranian objectives, basically, the regional objectives they have, that in fact they're determined to go ahead with a nuclear-weapons capability or try to achieve a nuclear-weapons capability. Now the NIE said that the Iranians make decisions on a cost-benefit analysis. So given that, I would like to ask you what combination of costs and benefits might dissuade them from pursuing that nuclear-weapons capability?

DR. KERR: I think there are two points to make in answer to your question. I pointed out – and others could parse it differently – that there were three important factors to think about as they approach a nuclear-weapons capability. And one way to look at it is that the absolute most important one is producing the material. And so you could imagine that they might slow other parts of the program in order to have the right phasing in what they're trying to do.

The ballistic-missile delivery capability is dual use and so it could be used to deliver conventional explosives, for example, and so you could imagine they'd work along at that as part of a military program. The thing that relates to costs and benefits, basically, is how do we and the international community put enough pressure on Iran – economically, politically, diplomatically – to make the cost high enough that they might look for another path?

Now, for example, on the reactor-fuel area, the Russians, who are now completing the German-initiated civilian power reactor at Bushehr, have offered fuel to Iran for that reactor and they've offered to take the waste from them. And so, what we need to think about is, what pressures can we and our partners in this endeavor bring to bear on Iran that make that sort of deal attractive as distinct from a path that will lead them to the weapons capability?

There's no single answer to that. I think it's one of putting pressure on, if you will, all 360 degrees that we can think of to do that. And one of the things that our policymakers now and in the future have to think about is, what are the sanctions? What are the pressures that brought together would raise the cost so they might take a step back?

MR. : Jim Woolsey (ph) in the center.

Q: Someone who knows something about PDBs as well. Don, I want to bore down on the national intelligence estimate. As you said, the key element in producing a nuclear weapon is the enrichment of the fissile material. And then, of course, the delivery systems are vitally important – ballistic missiles. The aspect that is the short pole in the tent, the relatively short-term undertaking, is the design of the weapon itself, as you gave in the Nagasaki example.

Yet, the national intelligence estimate, when it came out in December, although it didn't really mention up front, except in a footnote the enrichment of uranium to produce fissile material and the addition to its program of Iran's delivery vehicles, ballistic missiles. It put up front as the lead, as the headline, the suspension probably of the design of the nuclear weapons. And that emphasis on the slowdown or halting of the design was identified with the nuclear weapons program as a whole of Iran. And that was the headline all over the world when this was released.

Now, Tom Friedman of the New York Times, a couple days after this estimate was released, satirized it as saying it was if you had a drug dealer who had a fine crop of poppies, the raw material for his drugs. And he added – was continuing to add to the crop of poppies. And he had a substantial number of delivery vehicles, trucks, and he kept adding to the number of trucks. But the police came by and they said, we've decided you have temporarily paused work on your laboratory in your basement, so we're going to give you a certificate that says you are no longer a drug dealer.

In what regard, if at all, was this national intelligence estimate undeserving of Tom Friedman's satire?

(Applause.)

DR. KERR: Your friends always hurt you the most. (Laughter.) I would say, first of all, that to some degree, it's a poorly drawn analogy, because the poppies in fact are not the equivalent of the high-enriched material. The poppies, in this case, are the

low-enriched material. The trucks I'll take as the equivalent of the missiles. But it's the poppies that are needed, that are the important ones. You were talking about the red ones. The ones they need are the blue ones, the high-enriched material – and that, they don't have the capability presently to get.

The second thing that Tom Friedman might have done is to have read the second sentence, which said that we still believed that Iran had the intention of moving forward on a nuclear weapons program. And it was repeated several times throughout the estimate. And so, we have this incredible situation. Maybe it's the press that's lazy; maybe it's the public that's lazy. But the first clause isn't the whole story.

Now, retrospectively, many of us would have thought maybe drafting it differently would have made sense. We had another problem that most people haven't thought a great deal about. And that is, the real NIE, of course, is a document about that thick. It contained alternative analysis, all of the other scenarios we could think of to explain the information we had. We laid all of that out. We laid out all of the sourcing, something well over 1200 different sources. No piece of information was single-sourced. We felt pretty confident in what we had.

We also had not written that NIE to be released. We were, in fact, later asked to do so. But when we did that, we knew full well there would be people who would have both the classified version and the unclassified version. And so, we were obligated to basically declassify by deletion. What that did was lead to some awkwardness in language and some ability perhaps to mistake what we'd said.

And the reason we didn't change that was very simple: We did not want to have a roar from the Congress saying you guys are spinning the story. You gave it to us in the classified version this way and we see an unclassified publicly released version that is appearing different to us. And we were not willing to take that on.

We did in fact meet with the press. We tried to explain what I'd talked to you about tonight, and that was the three elements that I talked to you about earlier. We thought they understood that pretty well. But they of course, ripe for audiences, they write for different audiences. And so, in the end, we had, if you will, the perfect storm. Across the entire political spectrum, we had made somebody mad.

Some would take refuge in that and say, must have gotten it right. More realistically, we didn't do the job we should have in expressing the points we were trying to make. And that's why, for example, tonight, here and in other places, I've tried to focus attention on the key role that production of fissile material bears on this whole question, the key role that the missile developments play, and the fact that once you have the fissile material in sufficient quantity, we're not talking about a great long period of time before an effective weapons capability might exist.

I think we're doing better at clarifying that. Until we have new data, new facts, we're not going to change the basic NIE, the classified version. And we, of course, are

working every day to either find more facts, new facts, or those that might support where we are today. And that's an ongoing effort.

MR. : Roger Hertog, in the front here.

Q: Dr. Kerr, I'd like to talk about a country we haven't spent a long time on: Pakistan, that has the largest supply of nuclear weapons. It clearly has a political situation that is, certainly many would consider, unstable. And my question is how knowledgeable are we of where those nuclear weapons are, how secure they are? How much knowledge do we have about the Pakistani military and who they are loyal to? And how do we understand that another A.Q. Khan couldn't possibly come into being, and that the place that could be seen as a proliferator of nuclear weapons in a possible decomposition of their society could occur? And do we have enough knowledge about what is actually going on there?

I apologize for all of those questions, but they're all really related to one central idea, what we know and do we have a lot of confidence in what we know.

DR. KERR: I think the easiest answer of all to give you is that we don't know enough, and that every day the set of questions that you've posed, in fact, are the agenda we're pursuing in both collection and analysis relative to Pakistan. I think you're aware that the Pakistani weapons are under the control of the military. I suspect that's a good thing because that's an institution in Pakistan that has, in fact, withstood many of the political changes over the years.

With regard to the stability of the military and its leadership, that too has been something that has withstood some of the political changes of recent years.

With regard to Pakistan's real future and where it's headed, it's something that concerns us greatly. For example, I spoke earlier about the safe haven afforded in Pakistan in the federally administered tribal areas for al Qaeda, partly because that is a region of Pakistan that's never been subject to the central government law. It basically is an area that has been sort of self governing by the tribes at the margins of the central government.

One of the concerns we have is that as Pakistan looks inward and is concerned with changes in Islamabad and the central parts of the country, and the political issues now going on, is that that Wild West, if you will, the northwest frontier projects and the FATA, will be more hospitable to those who would strike us and less hospitable to us in trying to root out that problem.

And so you've hit the number-one thing we worry about. We do, as a matter of continuing high priority, try to keep track of the security of the Pakistani nuclear weapons in their various locations, and be sure that we're sensitive – if you will, if trip-lines are crossed, that would lead us to change our view about whether they're secure or not.

You've hit, if you will, a connected set of questions that are amongst the highest priority ones we deal with every day.

MR. : And our last question on my left, Marty Gross. Far left, please.

Q: Dr. Kerr, I believe you said that in 2003, the weaponization component of the program was halted. But you didn't say why you think it was halted, and what inferences we might draw from the fact that, at a certain point in time, a particular part of their program was, in fact, halted.

DR. KERR: We don't fully know why. I'll hazard a, if you will, a personal guess, and that is that the long pole in their program was the ability of fissile material. They foresaw, perhaps, that it would be some years in their ability to obtain it in sufficient quantity. And there may have been, in 2003, economic reasons to say we don't need to put resources against the engineering and development of a weapons design. We need to put our technical resources and our financial resources against the material production problem.

That, perhaps, is too rational an answer, but at least it's one that occurs to me. We're not inside their heads, so we don't know if there were other things that might have affected their judgment. That's something, again, that as we and our partners in the intelligence business get more data, try to fit the picture together, we certainly are looking for improved answers other than the sort of answer I just gave you.

MR. : Please join me in thanking Dr. Kerr for this fascinating discussion of a range of intelligence issues.

(Applause.)

MR. : Ladies and gentlemen, if I could just have your attention just for a moment, before we break up. This discussion by Dr. Kerr is just the latest in a fascinating series that has been put on by our Stein program on counterterrorism and intelligence. And I'd like to thank very much the director of the program, Matt Leavitt, and senior fellow Mike Jacobson – (applause) – for arranging a program that has brought together intelligence and counterterrorism leaders from across the executive branch of government to the Institute over the last several months.

With that, it's a great privilege to say that our evening program has now concluded, and we will convene bright and early tomorrow morning with a panel discussion with Natan Sharansky and Tamar Ivanovich (sp), Dennis Ross and Jim Woolsey, on the future of the U.S.-Israel strategic partnership.

Ladies and gentlemen, good night.

(Applause.)



(END)