



Panel Discussion: What Are the Future Challenges for the Director of National Intelligence?

Panelists:

- **Adm. Mike McConnell (Ret.), Former Director of National Intelligence**
- **John McLaughlin, Former Deputy Director of the CIA**
- **Steve Cambone, Former Undersecretary of Defense for Intelligence**
- **John Gannon, NSPG Member and Former Deputy Director of Central Intelligence for Analysis**

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MR. MICHAEL ALLEN: Okay. Thanks, everybody. Thanks very much to our first panel. We are ready to begin the second panel. It is my pleasure to introduce John Gannon. It is my pleasure to introduce John Gannon who is the vice president for global analysis at BAE Systems. John has a long history in the intelligence community, including serving in the senior-most analytical positions in CIA, including deputy director for intelligence, chairman of the National Intelligence Council and assistant director for Central Intelligence for Analysis and Production.

John also served a stint on the Hill as staff director for the Select Committee on Homeland Security in the House of Representatives. And he is also a member of the Bipartisan Policy Center's National Security Preparedness Group. Please join me in welcoming John Gannon. Thank you. (Applause.)

MR. JOHN GANNON: Thank you, Michael, very much. An honor to be here. And I want to turn very quickly to our panel. We have Mike McConnell who is second DNI. We have Steve Cambone who is the first USDI, the under secretary of defense for intelligence. And John McLaughlin, who is not only DDCI, but for a significant period – a very turbulent period of time, the acting DCI. All of these gentlemen with whom it has been my privilege to work in my career were very active in leadership and I think reform efforts in the intelligence community prior to 9/11.

They were fully engaged in the post-9/11 period in improving our intelligence capabilities and also were very much engaged in the discussions with the Congress and with the population in general about intelligence reform after 9/11. So what I would like to do, this is a panel that is not about all

the problems we have talked about, but we are solutions. And we are going to look at the future and you are going to go away nourished. I would like to leave as much time for questions for you folks. So I will ask each panel member to kind of hold their comments to about five minutes.

But let me turn first of all to former Director of National Intelligence, Mike McConnell.

MR. MIKE McCONNELL: Thank you very much, John. Since we are solutions, let me just start by saying nothing is too hard as long as you don't have to do the work. So we can pontificate based on our prior experience. I have been in this business for 40 years. I have been a professional at the analytical level and I have served in a variety of capacities. And I am very passionate about getting it right. And I am probably the biggest cheerleader for the United States intelligence community. It is a wonderful organization and I am here to tell you from firsthand experience as a member and in having the privilege of leading it at one time. It is the best in the world. It is the best in the history of the world.

Now, that said, we can always be better. And I am going to give you a premise on why I think it can be better. My model for that is Goldwater-Nichols. It has been mentioned a couple of times this morning for those of you who may not be familiar. The Department of Defense was created after World War II by the National Security Act of 1947 as amended. We debated it. We fought about it for years. I was a product of that environment. My service in the United States Navy as a youngster, if I had taken a tour outside the Navy, I would have been fail select for the next promotion consideration. That was the way that the process was disciplined.

I was there for the debate over Goldwater-Nichols. It is right? Is it wrong? Every service chief, every service secretary testified under oath, you pass this bill, it will ruin the United States Department of Defense. It was passed in 1986, signed by President Reagan. We have a dustup called Desert Shield/Desert Storm. Every service chief and every service secretary said Goldwater-Nichols is the best thing that has ever happened to the United States military. It was a radical transformation.

Now, here is my premise. A bureaucracy once established – any bureaucracy, you pick it – government, business, a bureaucracy, a group of people once established will fight to maintain itself to the point of redefining reality in its own self-interest. And that is true of any bureaucracy. Without intrusive oversight – intrusive oversight – or forces beyond the control of the bureaucracy, the bureaucracy will refuse to change. Now, that is my premise. Some might agree. Others might take issue with that. But that is just an observation of an older gentleman who has been observing this for a long, long time.

And I use my Navy that I am very fond of, my beloved Navy, as my model. Virtually every change in the Navy was forced from the outside. There is a long history there. We don't have time to discuss it. I would like to answer questions if we want to follow up on that issue.

What is the mission of the community? Collect and analyze information beyond all possible competitors. Collect and analyze information to know beyond and better than all possible competitors. First responsibility is to speak truth to power. It is your job in defense of the

Constitution to let the facts speak for themselves, not to twist the facts to fit some policy objective, but let the facts speak for themselves.

I think the closest analogy we have for that in this country is the director of the FBI and the chairman of the Federal Reserve. They are selected. They have a tenure. Their responsibility whether speaking to the Congress or the executive branch, whatever, is they must speak the facts as they know them.

This town reacts to four things, only four things that I can figure and maybe some others. But the four in my list – crisis. If we have a crisis, we are going to have some action. What did you know and when did you know it and why didn't you do something? So we will act to crisis. The second is balance. If we don't control crisis very well, we are certainly not going to control balance. But that will get the attention of this town and things will change.

The third is money. It doesn't always get the exact change we need. But when there is money generated, it gets a lot of attention and people start to pay attention. The fourth thing is the law. And that is the thing that we control.

I believe we need to update IRTPA to get it right. Today the law leaves us in a position where it is entirely, entirely personality dependent. Now, my good friend, Mike Hayden, spoke earlier. I don't know if Mike is still here. Mike is a true intelligence professional, an intelligence professional from early days in the Air Force, as I was an intelligence professional from early days in the Navy. He serves as the director of NSA. I serve as the director of NSA. We understood this community. What does it take to be successful?

And we had a deal. He said look, the best thing about your job is that it lets me do my job. And I said I understand that. And the best thing about my job is I can try to make the community better. And he said I will work with you on that. And we worked it really hard. There are some things we couldn't agree to because of the seats we were occupying.

Now, it was some credit to things that were achieved. Revision of Executive Order 12333. It took a full year with the full support of the president, the full support of the secretary of defense. And it was a battle on every paragraph because the law doesn't spell out the authorities. So my view is we need to revisit that law. We need to establish it on the principles of Goldwater-Nichols. And there are three important words in the English language that matter in a bureaucratic context. Those three words are authority, direction and control.

And if the DNI is given authority, direction and control, this community will sort itself out and people will get missions and we will go off and do good things like the Army, Navy, Air Force, Marine Corps did their mission of raise, train and equip and then provide fighting forces to the combatant commanders for operations.

Final thing I would say is – and this was mentioned earlier in the panel – we are a community conducting espionage against foreign interests. We can't play out our activities in the public. We are compelled to protect sources and methods. If we do not protect sources and methods, we will

have lives lost and we will lose the capabilities of very sensitive and expensive systems that we use to collect information.

We also can't allow our output in speaking truth to power to be the political fodder for the policy debate. So getting this right is important for the country. The big question is am I prepared as a professional looking at this for 40 years to make the point that we need a tenured DNI and we need a Department of Intelligence. I have been thinking about that long and hard. And on the drive down here this morning, I wasn't sure how I was going to come down. And I am there: tenured DNI and a Department of Intelligence.

If we don't do it that way, we are going to continue to argue about these issues and it will be personality dependent. And to my great fortune, I had Bob Gates in DOD and I had Mike Hayden as the director of CIA and Keith Alexander as a director of NSA and so on. And we were able to work it out because we all wanted to work it out. But it leaves to the personality of those players. And it can become very dysfunctional if those personalities do not mesh.

MR. GANNON: Before I turn to John McLaughlin, I was remiss in not noting the arrival of our current DNI, Dennis Blair. Welcome, sir. Great to have you with us and we look forward to your comments. John?

MR. JOHN McLAUGHLIN: Well, keying right on Mike McConnell's comments, I am reminded – and Fran will remember this vividly – when we were all debating this in 2004 in the Situation Room and Congress, I, along with many other people – actually I think Mike Hayden at the time, too – argued that this person, if the president was going to create a DNI, needed to be very substantially empowered. I think we lost that argument for reasons that may be understandable thinking back to Jane Harman's comments here.

But I do recall that in the middle of the debate, a very senior senator called me from the cloakroom and said John, you know, I am still searching for the answer to a question, as we debate this, that you raised during your testimony. And my question was a simple one. It was who will really be in charge and who will you hold responsible when something goes wrong? It seemed to me a very vital question having been held responsible a number of times for things that went wrong.

So I think today as we try and talk about the future and try and make recommendations here, we keep finding ourselves wrenched back to the past for all of those reasons. So as I think about the challenges, the point of our panel here, the challenges for the DNI going forward, I would say they fall under two categories. The first seems rather simple, but it actually isn't. And that is to continue establishing the legitimacy and effectiveness of this office. Basically, to continue inventing the DNI.

Agencies, people in them continue to question the effectiveness and legitimacy of the DNI. And they do it not personally, but the office. And they do it in a couple of ways. They do it directly sometimes when you circulate among the agencies. And they do it indirectly by that classic bureaucratic technique that we call slow rolling. That is exactly what Mike McConnell was talking about here when he said it took a year to get what amounted to an important, but essentially modest revision of 12333, the bible of the intelligence community.

Now, we shouldn't be surprised by this. A little history is in order. This is normal. When the CIA was established in 1947, it took a number of years before it had established itself, if you will. It was vigorously opposed by the military, by the FBI and by the State Department. So it was not until the early '50s that the CIA began to take the kind of shape that we came to know during the Cold War. So this long struggle to establish the DNI is not all that surprising.

But I would say that the DNI's job is somewhat harder than it was for an early DCI, director of Central Intelligence, to establish the legitimacy and effectiveness of that office. And I say harder because there is, as everyone here has noted and as, I think, Adm. McConnell just made clear, there is this gap between the responsibilities of the office and the authorities of the office.

Now, put yourself in the role of the DNI. You are the DNI. And you look at your book every day; you look at your card, your business card. And if it could fit on your business card, it would say that you are the president's principal advisor and the principal advisor to the National Security Council and the Homeland Security Council on intelligence matters relating to the national security. That is literally what the law says.

If that is on your business card – and actually, it wouldn't fit – you are going to feel responsible for just about everything that happens in the intelligence world. I don't know how you cannot. So that gap is, I think, an important thing for all of us to keep in mind. So while the law freed this individual from the burden of running a large complex agency, for which Mike Hayden was thankful, it also, in doing so, took away one of the sources of the power that the director of Central Intelligence had, which was his role running a large complex agency, one that was more organically hooked to the rest of the intelligence community than any other agency. That was a source of power. So the DNI's power has to come from some other direction, from some other source.

And there are some opportunities around today, the Christmas bombing attempt, for example, that Fran alluded to is an enormous opportunity for the DNI in terms of what needs to be done in its aftermath. Why? Think about it. I think – I may be wrong, but I think this is the closest call we have had in the homeland since the DNI office was created. And when you think about the complexity of that event and the gift that it is in many respects by virtue of being a completely foreign terrorist operation that didn't work, when you think about the complexity of it and the involvement and the way it touched different missions in the intelligence community, only the DNI by law can take the steps required in its aftermath to tune up the performance of the community.

It is important to remember the CIA director can't do that anymore. And it is interesting, too. If you think back to that period, one thing that struck me was after that event – no offense to the media here – if you watch the crawls at the bottom of the cable news channels, for the first two or three days, it was all about the CIA had failed. And after two or three days, you started to see some other initials appear. People came to realize there was a DNI. There is an NCTC. These were, I think, fairly obscure initials to most people in the media until they thought about it for a while. So there is an opportunity here for the DNI to demonstrate that this is – he is the only person who can tackle all of the things involved.

Where you can bring authority into line with responsibilities through all the means we have talked about here today, personal relationships, presidential embrace, more legislative octane, and I frankly would endorse what Adm. McConnell just said on that score. But maybe the most important way to close this gap is through achieving things out of the DNI office that no single agency can achieve.

What are they? Let me just list five very quickly and then I will wrap up. Start with some very big ideas and move to some very – some narrow ones that are nonetheless important. First, rethink our collection paradigm. No one else can do this. We have a collection paradigm that is rooted in the marriage of classic espionage and technology developed in the 1960s involving basically spy craft, imagery, communications intercepts and some other arcane methods of collecting intelligence.

The adversary understands this pretty well. It is probably time to ask the paradigm shift question, which is what is it we cannot do today, which if we could do it would revolutionize our business the way technology did in the 1960s? That can't be done by any one agency.

Second, and several panelists have alluded to this, too, when the issue came up of who should be the spokesman for the community. Only a DNI can shape the environment in which intelligence operates. People talk about intelligence as though it exists in a hermetically sealed box. You know, how often do you hear the phrase it is all about intelligence? Well, frankly, it is not all about intelligence. There are a lot of other things that bear on our performance in national security and that bear on the performance of the community itself.

There are four major constituencies: the Congress, the public, the media and the customers. And they all have to be in some sort of alignment or at least in some comprehension, if not agreement, about what this incredibly arcane business is about. If not, something will be dysfunctional. A DNI can deal with that.

Third, resolve key problems that no one else can resolve. The community has not yet had despite a lot of progress – David Shedd talked about this – does not yet have an IT architecture, information technology architecture, that permits intelligence officers to deal with the enormous volume expanding every day of information with anything like the efficiency that you deal with it at home sitting in front of your computer. It is better, but any DNI who takes you to that level of performance will revolutionize the business beyond anything that has been done since the community came into being 63 years ago.

Form teams, number four, form teams of people from throughout the community to gang up on the issues today that are all multidisciplinary, cross discipline that no one agency can deal with. Again, one needs authority.

And finally, all sorts of issues that need to be resolved on behalf of the whole community. One that comes to mind is the difficulty of dealing with as foreign and domestic concerns and data merge in the era when we are dealing with terrorism, the whole question of how you deal with U.S. persons' data is very complicated legally, policy wise, civil liberties wise. No one agency can touch that. Someone else has to do it.

So those are some of the things that are the future challenges for a DNI. But that takes us, as I close, to what I would call the catch-22 question. Those things need to be done, but does the DNI have the authority to do them with a process that is less than a trip to the dentist? I think not yet.

MR. GANNON: Steve?

MR. STEVE CAMBONE: Thank you. It is a pleasure to be here. And it is good to see a lot of old friends that I haven't had time to see or rather they have been more busy than me, I think, over the last two years. And so it is good to see so many folks. Unlike most of the other panelists, I am not a career intelligence officer. I did not grow up in the intelligence environment.

I came to it as a user of intelligence and ultimately, as a policymaker who had to rely on the intelligence community and its various agencies and actors for information that was vital to the performance of my task, which over the course of my time at the Pentagon in the various jobs I was in boiled down to providing to the secretary of defense cabinet officer advice about the execution of his responsibilities and obligations both as the secretary of defense and as a principal staff assistant to the president of the United States.

So I come at this issue somewhat differently than the others. And that may account for more of the nuance, I think, than specifics because there is little that has been said about some of the additional capability that the DNI, as the DNI is currently constructed, might usefully have in the way of additional capability.

But I always think it is helpful – and I am not sure who made the point about expectations this morning, it might have been David – to come back and set some expectations on just what it is we think this human being in this very complex world ought to be charged with doing and how we are, in fact, going to measure his success because what the policymaker is looking for from the intelligence community is accurate, timely, useful and often even actionable and in the sense of being able to immediately convert knowledge to action information.

Most policymakers don't look for intelligence. They need information. They need to understand what is going on. And they rely on the judgments of the people who are in the community to provide that information to them. And why? Well, they have a hard job to do. And the most important policymaker, of course, is the president. He has a myriad of obligations. Fran Townsend touched on some of them this morning. And as one sits back and reflects on the range of responsibilities he has, one can, I think, begin to appreciate that he would like to have a variety of instruments and tools by which to accomplish the myriad of tasks.

But by extension, the president flows down his authorities to his cabinet officers. And they execute much of the nation's policy on his behalf. And so as a group, let me call on my National Security Council for lack of a better term – not the staff – but the statutory members. What are they looking for? They are looking for the intelligence community to provide them information that will allow them – and I keep searching for the right phrase, but it is to anticipate discontinuities in practice around the world as they see it today.

I don't use the word, "surprise," because the second half of that is that they would want information to help mitigate the consequences of surprise. Oftentimes, people want to talk about anticipating surprises. Nearly by definition, you can't do that. A surprise is something you didn't anticipate. And so it is really anticipating those discontinuities, which might, in fact, lead to surprise that allows some lead time for the leadership to make adjustments that one looks for.

Second, minimizing risk and maximizing opportunities for success. Where are the risks that we face? I will never forget the long conversations we had with George and John and others in the community with respect to operations in Afghanistan and subsequently in Iraq. And how did those risks get minimized? How do we deal with the problems in North Korea? I mean, that was a constant conversation that took place between the intelligence community and its representatives and the policymakers who were wrapped up in decision making.

But those two things, anticipating and then minimizing and maximizing risk and opportunity. We are also looking – the policymakers – for information that will permit the laying down of a foundation for an enduring and stable outcome to whatever set of issues or problems or crises we may face and that the outcome is favorable to our interests, whatever they may be in the event. But, of course, we are always looking for that help and that support.

Now, there has been a great deal of criticism over the years, nearly unending. And as I say, I did not grow up in the community. But I must say some of the literature one reads is beyond belief at the unmitigated failure, the entire lack of success of the intelligence community, which is to me astonishing. Again, having had the privilege of being associated with and for only a brief period of time, I can assure everyone that most of that purported history is not true. It is studded with successes that unfortunately are not the community's place to tell, but for those of us to testify to.

But as I look over the period of time when I was dealing with them and what I hear from my friends who are still working today, there is no question, no question whatsoever, that at the operational level, the community is far better than ever they were. That is not surprising. They have had a lot of opportunity to improve their performance, excel, train, learn. But these guys are good. They have learned to take information and turn it into action in ways that were never anticipated in the past and will undoubtedly continue to evolve in the future.

At the analytic level, creating knowledge out of intelligence – and I want to make that distinction because what is intelligence after all but, by definition, a mix of what, true facts, misleading facts, false facts and no facts. I mean – and maybe more if we could think of some more descriptions. From all of that, they are expected to provide to a policymaker information on which that policymaker is expected to make decisions and on which he relies.

And by all accounts, again, despite recent stories to the contrary, it seems to me that there has been remarkable improvement. And that has to be, in turn, laid at the feet of the reform effort in no small measure. It can't be otherwise. That success is not despite the reform effort, but I think is a consequence in good measure of it.

But what about then the role for the ODNI going forward and for the DNI himself? And Adm. Blair, we were given this assignment, so please accept it in the spirit in which it is offered. I agree

with the other panelists. I think I understand the implications of being the principal intelligence advisor to the president.

And what I would argue is that the management responsibilities that then have been conferred on the DNI are for the purposes of fulfilling that assignment. That the management responsibilities in and of themselves have little value unless they are designed, unless that management is done for the purposes of making the DNI the best advisor to the president and then again, of course, by extension, to the other members of the NSC, to the Congress and all of the other operators out there in the world from combatant commanders down to the FBI agents.

As it was pointed out this morning and I will remind again, the DNI was not given operational responsibilities. And one can argue whether he should have been given those responsibilities or not. If he had been, we would now be debating whether the DNI wasn't the DCI just made larger and did we really make any progress? Inevitably, that would have been the question. But there are other issues that need to be thought about when one thinks about whether or not the DNI should have operational responsibilities.

And let's take up the point that Fran Townsend made and others have made about the spokesman. And Mike Hayden caught the true dilemma, I believe, for the intelligence officer when faced with a question by the president of the United States. The president of the United States, whoever he is or she may be someday, has an agenda. He was elected for that purpose. He has a policy. He is looking for information, as I suggested earlier, that will help him to execute that policy.

I can't imagine a more difficult position to be in than to be asked a question wherein the officer has both to balance the interests of the president and what he knows to be or knows not to be the facts of the case. That is very hard. The advantage of having a DNI, in my view, is it does allow for some separation between what the DNI can represent to the policymaker, the president and all of his other cabinet officers as being the judgment of the community, the information that it can supply. And he can be that buffer. And he can make certain that there isn't any concerns that then seep out about the politicization of intelligence. Put another way, I think he is a true buffer against that concern. And that is not nothing in the world in which we live.

Second, I think he has the advantage of being able to work the domestic intelligence agenda with greater facility than any other intelligence officer or policymaker, for that matter, say, for the director of the FBI and the AG. And again, that is not nothing. And something that is absolutely essential, and as was pointed earlier, has really not been fully aired. I mean, the singular failure on 9/11 was not, with all due respect, whether the NSA was part of the DOD or was an independent agency. It was we didn't get domestic and foreign intelligence properly integrated, which brings me into a close here.

It seems to me that it is a banal statement to say that the DNI really has broadly, I think, two responsibilities as a principal advisor. One is to assure the president that he has received that which the president thinks he needs and what he wants to have. And those are not the same things. The president may want something, but sometimes he needs something else. So that is the DNI's role is to make sure he has both. To conduct his business every day, as I suggested earlier.

But second, it is to anticipate those future needs. So we had a conversation this morning about the mission managers, a conversation about where are we going with some of the collection capabilities. The DNI has, if I can use that phrase, the luxury of standing back from the day-to-day execution – again, another reason for not giving him an operational responsibility – for the day-to-day execution of the community to think about where events are going? What discontinuities might there be? What does it mean to minimize risk and maximize opportunity? How do we put into training the kind of changes which will take – trust me – a generation to work their way through?

We talk about Goldwater-Nichols. You know, I spent a good deal of time in the Pentagon. No one joins the Joint Chiefs. No one joins the Joint Staff. One joins the Army, the Navy, the Air Force and the Marine Corps. All right. And the ethos that each of those instills is what each of those men and women bring to their jobs in the joint staff or they bring to their job in a combatant command, which is, by definition, joint. But by god, they are sailors, airmen, Marines, Coast Guard and the like.

So it takes a while for that to work its way through. And he has, the DNI does, the opportunity to bring that kind of change over time into place. Now, you know, whether we make it an orchestra director or a cabinet secretary, we can debate about which is the proper role and function. But I would leave you with this thought. As the principal intelligence advisor, there are advantages, significant advantages, to the DNI not having an operation role first. And second, that in choosing what he decides to manage in the most direct way because again, it is a very large community. It is very complicated. It cannot be managed by any number of people you could imagine bringing into the DNI staff. It is not possible.

I was told by one former secretary of defense, thinking about the Department of Defense and the 3 million people in it, he told me at any given point in time, someone is out there breaking the law. So you say well, what are you going to do about that? What are you going to have to manage? And you have to figure out how you deal with it.

So I think in thinking about this going forward, we have got to be clear about where we want him to place his time and attention and effort and what is the benefit that he brings to the president and to the members of the National Security Council and the Congress. Thanks.

MR. GANNON: Thank you, Steve. I had a couple of questions. I am going to combine them and actually the members can voluntarily take these on or not take them on because I want to leave some time for questions from the floor. But the first question has to do with the USDI-DNI relationship. For those of us who are in the intelligence community, for most of the period since 1947, if you were at CIA, the real wolf at the door was not a DNI or a conceptual DNI. It was DOD. And the sense that in every battle we got involved in in the intelligence community, no matter how powerful a DCI was, you would lose the battle with DOD.

But the fact was that the secretary of defense, while he controlled most of the assets of the intelligence community, really didn't have five minutes in a week really to concentrate on budgetary or other issues with regard to intelligence. So the DCI did have considerable authorities.

With the creation of the USDI position in 2002, the secretary of defense had a 24/7 set of eyes on intelligence priorities. So the question is how has – and certainly, I would have to conclude that the very significant success of an intelligence downrange, the incredible capabilities we have now in ISR, and not just the technical capabilities, but the collaboration we have seen in Afghanistan and in Iraq, has something to do with leadership of those two organizations. So I would like any comment anyone wants to make particularly about this relationship going forward.

The other question that I would have is I would assert that the intelligence community is subject to technological surprise today and in the future more than any time in its history. And we have – and this doesn't mean emerging technologies, but it means disruptive technologies. That is essentially where the IED came from to surprise us. The QDR, which was just published last February, mentions this with concern that we now have a world where R&D is now distributed globally, as opposed to when it was controlled very much within the United States for most of the history of the intelligence community.

So the question to go back to the last panel would be, are we prepared with regard to the technological surprise? So the first question is with regard to the USDI-DNI relationship and the second one is on technological surprise. Are we prepared? And you may pass on these questions and defer to the floor or you may take them on. You have to take at least the technological surprise.

MR. McCONNELL: Technological surprise, are we prepared? No, we are not. We have got a game plan. It is a work in progress. We are focused on it. But my view is unless it has improved dramatically in the year I have been gone, we are not there yet. And since I am speaking, let me just comment on the first one. I think the relationship between the community with the creation of USDI has made it better, but not where it needs to be.

Secretary Cambone commented that what do we want a DNI to do? It is big. It is hard. It is complex. Well, let me just contrast that to the most expensive complex organization in the world, which also happens to be the most effective. It is called the Department of Defense, \$660 billion, 3 million people, moving parts in every part of the world. And one person is responsible for running that process. Raise, train and equip, operations policy, national security advisor role for the president.

So what I am an advocate of is having appropriate statutory authority for DNI that allows problems to be resolved, not punted. Example, joint duty. Everybody has agreed joint duty is wonderful. It took us three years, three years. My predecessor, Ambassador Negroponte, he worked it for a couple of years. I worked it for a better part of a year. And when we finally got it, it was a compromise. And it doesn't put the community where we need to be because there is no enforcing mechanism and a community can wave it off. So that is why I keep coming back to the fact the appropriate role and authority in admittedly, a very complex and challenging environment.

But without that decision authority, we are just debating our points of view. And I would also extend this to the Congress. It was mentioned by Congresswoman Harman, 88 committees and subcommittees overseeing DHS. The appropriation for this community – the major, not all of it – major appropriation for the intelligence community is done in the Defense Appropriations committees – subcommittees. We haven't had an authorization bill in three years – five years. So

my point is getting this recognized for its importance – it truly is important to the safety and security of the nation. And putting it on a par with appropriation, oversight, authorization, accountability, I think, is what we need to be focused on if we talk about correcting this and making it better for the future.

MR. GANNON: Thank you. John or Steve, you want to comment?

MS. McLAUGHLIN: Just very briefly, I supported the creation of the under secretary of defense for Intelligence. And I think it makes sense for the secretary of defense to have a person that he or she can turn to because 80 percent of the budget is there at this point provided the DNI is still seen as the counterpart essentially of the secretary of defense. That is, that the USDI serves primarily the secretary of defense and the DNI deals directly with the secretary of defense and occasionally through the USDI.

Second on technology, part of what I was saying earlier when I talked about a collection paradigm relates to this. On technology, we are living in the midst of the greatest technological revolution in human history. And therefore, intelligence always has to be ahead technologically of where the rest of the world is because your adversary always has what you have, what is available to you commercially. So you have got to be ahead. There are countless examples of that over the years.

My bottom line here would be that avoiding technological surprise involves having not just a defense against technological surprise, but having an offense that assures you are dramatically ahead of where everyone else is technologically. In the end, that is the best way to avoid surprise.

MS. GANNON: Thank you. Steve, any comments?

MR. CAMBONE: I concur with John on the technological surprise. And I thought it was a good idea to have a USDI. (Laughter.)

MR. GANNON: That is why I started – (inaudible).

MR. CAMBONE: But for some of the reasons that John touched on, the phone calls from the DNI only went from him to me. I never – I was not – the protocol did not have me calling the DNI. That was the secretary's call. All right, that didn't happen. Now, did I spend time with John? Yes. Did I spend time with his successor? Yes. Did I spend time with a lot of the deputies, with Mike when he was the principal deputy? You bet.

But the relationship was between the SECDEF and the DNI. And I believe that what George Tenet told us – and I don't think I am breaking any confidences here – in the context of one of the commissions we did, he said – he and I were talking and he said look, the most important relationship in Washington is between a DCI and the secretary of defense.

And in my view, what has happened is that that relationship has now been adjusted to be the SECDEF and the DNI with the DCI very closely related in that relationship. But what had been a bipolar relationship is now sort of a triumvirate, if you will, for those matters which are affecting the intelligence community. And they have got to be on the same (sheet ?). And it is not by

accident that you often see the proper array of personalities there. I mean, a president paying attention is going to look to make sure he has the right people in those jobs.

MR. GANNON: Thank you, Steve. I want to turn it to the floor. And also, we didn't get to discussion about information sharing, so if anyone has any questions about that, throw them at us. Let's start here. We have a microphone up here.

QUESTION: Thank you. My question is related to counterintelligence. If one looks at what is occurring within the borders of the United States, if you add together the number of personnel just terrorism – terrorists, foreign terrorists and their supporters, Russia, the People's Republic of China, I would say that while we have very good people working in counterintelligence, good policies and a good strategy, you don't have the resources to conduct the kind of counterintelligence that we need to.

It is very labor or human intensive. So I would propose that we need a massive or significant expansion of the number of personnel. But it should be done in a way that is coordinated. I don't know if the military services might return to playing a role domestically, not in wiretaps or anything that would violate civil liberties, but as they did before certainly in coordination with the FBI, expanded double-agent operations or certainly physical surveillance and things like that that, you know, could complement what the FBI is doing.

MR. GANNON: Okay, anyone?

MR. McCONNELL: I will start. Not enough resources, I agree. I don't think it is necessarily simply a solve-it-with-people problem. I think there are lots of things that we could do in how we administer the process. Something was mentioned earlier as a claim to something that DNI was able to do is address the clearance process. The clearance process was trying to make it go faster, not waste all the time. But also embedded in that was a better way to administer the process from the ability for constant lifecycle monitoring. It doesn't mean you monitor it all the time, but you could. So it acts as a deterrent.

The other point I would mention is those who are on the inside after the clearance, they are in for life and they can skirt it. That is what has happened to us in the past with spies and so on. So I think it probably needs to be addressed. I don't know if it is quite as dramatic as the way you framed it, but certainly, it is something that needs attention.

MR. GANNON: Thanks, Mike. Anyone else?

QUESTION: I would like to pose an issue of future challenge and that is cyberspace. Adm. McConnell has been outspoken about that recently some of the challenges. But what a lot of people here may not know is that Adm. McConnell, when he was DNI, actually was the catalyst for the effort, which led to the comprehensive national cyber-security initiative. It was under his leadership that we actually achieved that, recently declassified. So a tribute to that, to his leadership there.

But going forward, how should we think about cyberspace in the context of the DNI? Recently in the Washington Post, there was an article talking about an episode that showed the tension between

operations and intelligence collection. And one that apparently, according to the article, left neither side very, very happy. So going forward, I would be interested to hear your thoughts collectively about how should cyberspace be managed within the context of the DNI. Thank you.

MR. McCONNELL: Well, my view is the first responsibility of the DNI and the community is to understand the threat and the implications of the threat and so on. So it is with that knowledge that I attempted to make the argument in the previous administration and the current administration, this is serious. There are things happening that are of strategic significance. As much as this wonderful IT revolution that we have all benefited in from the standpoint of increased productivity and higher standard of living, connections around the world and we enjoy it, it has introduced an, perhaps, unprecedented level of risk when you imagine – I will just use banking as my example. We don't have a gold standard.

If you take all the printed bills and all the coinage, you would get maybe 5 percent of our wealth. So where is it and how is it accounted for? It is an accounting entry in a database. And my worry is not so much nation states who are stealing information for advantage. My worry is an extremist group whose intent is to destroy or to downgrade or corrupt. And so if an extremist group with a relatively low level of investment attacked us in that way, it could have, in my view, large-scale consequences.

So what is the DNI's role? I think my view is to keep that visible, keep it understood, make it plain English, be willing to take a position on it. The mitigation of the issues often are embedded in the intelligence community. The National Security Agency is – I don't know what the number is, probably over its lifetime, a half a trillion dollar investment. It is the only authorized force in the nation whose mission is code breaking. And what we have finally come to realize over time is code breaking is often the enabler for attack, which is what everyone wants to talk about. But it is also the enabler for defense.

So I think the DNI and the community has a very dramatic and important role in this in making it translatable to how would you defend the Department of Defense? How would you defend dot-government? How would you defend dot-com, which is the biggest percentage of what is out there. It is probably at the 98-percent level. How would you do that using a community that has capability operated at a top-secret level to make it unclassified and useful at the speed of the net? Big challenge. So my view is the DNI is going to be involved in this debate, this activity for quite some time before we get a level of mitigation that we find acceptable.

MR. GANNON: Other comments?

MR. McLAUGHLIN: I would just say it is probably the most complex problem that we have because it involves exploitation, attack and defense. And those functions are all spread around the U.S. government, again, probably only someone at a very senior cross-agency level can get their arms around this.

The other problem is that our vision of it is clouded because we have yet to have a demonstration on a major scale of what it can do. You know, we have had the equivalent in the cyber world of the embassy bombings in 1998 and the attack on the USS Cole in 2000 in terrorism world. It wasn't

until 9/11 that we really got our act together, broadly speaking. We haven't had that on cyber yet. It may come. And if it comes, we had better be ready. We had better not be scrambling.

QUESTION: A question for the panel and hopefully for Director Blair later. One of the analogies that was used in coming up with the idea of the DNI was the hope that in the intelligence community we would create an equivalent to what in the military, at least from a civilian's perspective, is the shared professional bond between particularly officers. Mr. Cambone mentioned you join the Army, you join the Navy, but from a civilian point of view, you become a military officer. And there is a bond, a professional bond there that is very, very significant.

There really isn't or really wasn't in the intelligence community. To what degree now do you think the workforce, that 100,000 people, would self-identify regardless of what agency they are from as intelligence officers. And are we at the level we should be? And where do we think we are going in the future with that type of cultural shared self-identification?

MR. GANNON: John McLaughlin, do you want to start?

MR. McLAUGHLIN: Well, first off, no one knows is the answer. But my instinct is just circulating around talking to people, most people identify themselves as intelligence officers. But the question is really beyond that. And I think it goes to education. You know, there are a number of very fine schools in the intelligence business. But generally speaking, the idea of continuous education is not as embedded as a routine as it is in the military.

Now, I think that is part of firming up everyone's identification as part of a profession with standards, ethics and such that are common across the profession.

MR. McCONNELL: I want to add a comment. Having grown up in the Navy, I had three enemies: the Russians, the Army and the Air Force. (Laughter.)

MR. McLAUGHLIN: In that order?

MR. McCONNELL: About that order, yeah. It wasn't until I was a part of a joint activity and a joint force that you really start to have a bond as a professional military officer. So in my hierarchy, it is citizen first. You affiliate – even the day with Goldwater-Nichols and as much as we have a joint taskforce and so on, people still will identify with their parent organization, Army, Navy, Air Force, which is not a bad thing. But they also identify with the United States of America and doing the right thing and bringing together the full capabilities of all forces to accomplish whatever the mission is.

So I think we are better, but we are not – the intelligence community has not yet achieved what the Department of Defense has achieved. And it is mostly the isolation of our communities. And we don't live in the other person's spaces and have that constant interaction and dialogue.

MR. GANNON: I am going to have to cut the questions here. I want to thank the panel members very much and thank all of you for your attention. (Applause.)

MR. ALLEN: Thank you very much. There is a light snack outside, if everybody could – if anybody is hungry. And then we will get swiftly to the DNI's speech here in the next few minutes. Thanks very much.

(END)