

**Remarks and Q&A by the Director of National Intelligence  
Mr. Mike McConnell**

**Foreign Affairs Symposium  
at  
The Johns Hopkins University**

**Baltimore, Maryland**

**March 12, 2008**

---

DR. KRISTINA JOHNSON: Good afternoon and welcome to the 10<sup>th</sup> Anniversary of the Foreign Affairs Symposium. It's my great pleasure to welcome your speaker and our speaker today, Admiral Mike McConnell who's Director of National Intelligence.

One of our very own, David Rose, a junior in International Studies, just informed he got into the 3-2 Program at SAIS, will be introducing our speaker. David?

MR. DAVID ROSE: Good afternoon, everyone. My name is David Rose, and on behalf of the entire staff, welcome to the 2008 Foreign Affairs Symposium.

This year we are celebrating our 10<sup>th</sup> Anniversary of our program, a decade of discussion. Since 1998 the Foreign Affairs Symposium has been committed to bringing thought-provoking intellectual discussion to campus. We hope that our program this semester will continue this tradition and stimulate dialogue regarding the major political, economic and social changes that have taken place over the past decade. And before we get started I would like to remind everybody this is going to be an enlightening academic discussion so we're going to keep everything civil and kind and respectful. (Laughter). It's a joke. (Laughter).

Today we have the honor of welcoming Admiral Mike McConnell, a great American who has dedicated his life to the service of the country. Before his current job as DNI he distinguished himself during a 29 year career in the U.S. Navy, a four year tenure as the Director of the National Security Agency and as a Vice President of Booze Allen Hamilton. Then in February of 2007 he was called to service again, this time to make sure that our nation is equipped to combat the numerous threats that we continue to face, and like a true Navy man, Admiral McConnell answered the call and immediately got to work.

Since his swearing in, he's created numerous initiatives aimed at fostering cooperation and reform within the Intelligence Community and has worked to modernize the Foreign Intelligence Surveillance Act. So by all accounts, Admiral McConnell's career has been one of achievement, dedication, prestige, and more than anything else, Admiral McConnell, integrity. So we are truly honored to host a speaker of such high caliber.

So without further ado, I'm proud to introduce the current Director of National Intelligence, Admiral Mike McConnell.

(Applause).

DIRECTOR MIKE McCONNELL: Thank you very much.

I found out just a moment ago that the rules are I get a few minutes, Dr. David has given me an indication of the questions he's going to ask, and whatever hard questions you have, you better think of some more, he's got them all. (Laughter). Then we'll open it up for questions from the audience.

Now I have a story, but I'm not sure we have time. Can I get a vote? Do you want to hear a story or would you rather just get into it? Story, okay.

Now this is a true, I was in the signals intelligence business where you listen to the people talk and so on. This is true. It's an actual recording. There's a party talking to a ship at sea that says, "Ship at sea, please divert your course 15 degrees to the south to avoid a collision."

Now the response was, "Recommend you divert your course 15 degrees to the north to avoid a collision."

The first party says, "Sorry, sir, but you will have to divert your course 15 degrees to the south to avoid a collision."

The answering party says, "This is the captain of a United States naval ship. I say again, divert your course."

The first party says, "Pardon me sir, you must divert your course."

Now the American ship says, "This is an American aircraft carrier, the second largest ship in the United States fleet. We are accompanied by three destroyers, three cruisers, numerous support vessels. I demand that you change your course 15 degrees north. I say again, that is 1-5 degrees north or counter-measures will be taken. Do you understand?"

The response was, "Dear Captain, the next move is your call. This is a Canadian lighthouse." (Laughter).

So the point of my story is always know who you're talking to, and I'm looking forward to talking to Dr. David because he's going to ask all those hard questions.

I understand this is on the record and there is a recording being made, and I suspect that if he has his way I'll be on the nightly news, and if I have my way, they'll never know this happened. (Laughter).

This will be, I had 20 minutes, we're now 10 minutes into it, so this will be a little bit like the motorcycle ride through the art gallery.

How many of you have ever read a book about spies or seen a movie about spies? Here's an interesting phenomena. America loves spy books and spy novels, but Americans hate spies. Think about it. Think about when our government was created. The Founding Fathers. Remember the separation of powers. A big concern was war in Europe, someone riding in on the white horse and all of a sudden becoming the only member that could lead and before long you'd have a tyrannical government. The first leader to ever step down in history, voluntarily, while in good health, was George Washington.

So as you think about our nation and our culture and how we behave in our day to day activities, we don't like spies because spies in most countries spy on their own citizens. That is not true in this country, but we're often accused of that. So I thought I'd open this venue up just a little bit so I can talk about that.

Our history has been we're never ready with the right intelligence resources when it's time that we need them in an emergency. Going into World War II -- now I was actually not old enough to remember, but I was born in that timeframe. I know you've read about it in your history books. But in World War II we had a few paramilitary members who were enthusiastic about behind the lines operations, parachuting in, running resistance and so on, and we had a few code breakers. As it turned out, starting from that base, and we were not ready, by the time we got into World War II the major contribution of my community were human agents operating behind the lines -- sabotage, resistance operations; and the second part was pure math. It was code breaking. We were reading the orders of the German commanders, that were sent from Berlin to the German commanders, before the commanders read their orders.

A quick story about the Pacific. The Japanese bombed Pearl Harbor. Subsequent to that the Japanese fleet's underway. All we know is underway. We don't know where they are. The beach, Tokyo, talks to the fleet; the fleet does not answer. They get a message but they don't acknowledge. If they acknowledge, they're vulnerable. We could listen, we could target them with direction finding. So the method is, get underway and we'll tell you where to go and what to do.

So the Japanese fleet's underway. The target could have been Singapore, Manila, San Francisco, Hawaii. So Admiral Nimitz, after suffering from the Pearl Harbor losses, had a reduced fleet and didn't know where to go. The Pacific Ocean/Indian Ocean covers half the globe. A very large expanse to cover. So the question was, how do you pin down where the Japanese fleet is going? What is their intended target?

So a young cryptologist came up with an idea. We were breaking a lane of traffic, meaning they would talk, we could listen, and they encrypted, they scrambled the text, but then we'd be able to break out the text into plain text. We caused all the potential targets to talk about themselves in the clear, meaning we knew that the Japanese were listening.

One of the suspected targets was Midway. Midway has no fresh water. So we told Midway on an undersea cable so nobody could hear it. Tell us that you have a water shortage. Send a water tanker immediately. So in the clear, Midway said, "Water shortage, must have a water tanker."

Within 12 hours the Japanese sent a message to the ships at sea, Target X suffering water shortage. We had the answer.

Admiral Nimitz put the entire remaining U.S. Pacific fleet at Midway and was successful in defeating the Japanese Navy, and the battle in the Pacific was downhill for the Japanese ever since.

So think about breaking German codes in World War II, breaking Japanese codes in World War II in the Pacific, and the result, the historians are arguing a bit now. Now this is all unclassified and people are talking about it. Did it shorten the war 18 months or two years? But think about global conflict. Thousands of people dying. Huge investments. So you start to understand, what does it mean to invest in intelligence capability early in the process?

Let me jump to the Cold War. What did this community do for the Cold War? Remember I said we build it up when we need it; we take it down when we don't need it. Winston Churchill did us a favor. He invented the term Cold War. Caused us to think about it a little bit differently. We had a big debate that resulted in two basic foreign policy objectives -- containment of communism and nuclear deterrence. So when those two things evolved out of the policy debate, the agreement was we must maintain a strong robust capability in intelligence.

We did basically two things. We captured the high ground -- space, outer space where we could look down. We had denied territory that ran 13 time zones where the old Soviet Union wanted to keep us out so we would not know what was going on. We captured the high ground. We could look and listen from space so we had a capability to advise and warn and provide intelligence information that allowed the policymakers to make the right decisions to allow us to navigate that space to prevent a hot war and to win the Cold War.

Guess what the watch word in Washington, D.C. was in 1991? Remember the Soviet Union collapsed in August of '91. There were two words in the Congress -- peace dividend. Let me translate. We've got this huge intelligence apparatus, it cost us billions of dollars, we don't need it any more. So we started to take it apart. And over the course of the next number of years we did take it apart. We reduced it somewhere between 35-45 percent.

We have another phenomena. This community has the nation as a community of laws. We're a nation of laws. We're a community that observes the law. There were some abuses with regard to spying on Americans that go back to World War II. Remember the Japanese internment camps, the opening of mail and so on. If you track through that history there's literally a period of time where the executive authority used the Intelligence Community to spy on Americans for some purpose. That happened in World War II, it happened in the '50s, it happened in the '60s, and it really blew up in the '70s at something called Watergate. In that situation the Vietnam War was on, there was some spying on Americans, and so the result of that was a tremendous reaction on the part of the American people, this is not acceptable. There were hearings on the Hill, Church and Pike, those are the two chairs -- one in the House, one in the Senate. What it resulted in were new rules.

One of the things that came out of that period is something called FISA -- Foreign Intelligence Surveillance Act. What does that mean?

What the Congress wrestled with was the nation must do foreign intelligence. Remember, Cold War, we have a Soviet Union that was nearing its height, we had premiers that had beat on the podium at the United Nations saying 'We will bury you.' It was domination. It was domination of the world. So the dilemma was, how do we have a community that's regulated in a way that it can conduct foreign intelligence but be restricted in what it can do in the domestic context. So it was a very simple construct.

If it's foreign, go for it and do your mission. There's no involvement of oversight from the courts, although there would be oversight from the Congress. If it's domestic, meaning a U.S. person, you must go to a court and get a warrant for surveillance. In this case the only purpose could be foreign intelligence, foreign intelligence purpose. But why would you conduct surveillance against a U.S. person for foreign intelligence reasons? A U.S. person, you'd think that's a citizen. A citizen can be a spy working for the Soviets, the old Soviet Union; it could be a foreign official. So there are a number of cases, a limited number, where you would do electronic surveillance with a warrant against a U.S. person.

Let me fast forward to today. For those of you that are in the curriculum for computer science or EE or telecommunications, you know what I'm about to say. In what I describe as the dot-boom, in that period when the internet really caught on and we had global communications that literally made us one global net around the world. International communications changed very very dramatically. When I was your age, international communications were mostly wireless. There are only two kinds of communications -- wireless and wire. Most of you probably have a cell phone. Most, if I ask where's the dominance of communications today, most of you would probably say wireless because that's what you've experienced. Think of wireless as the on and off ramp for a 6,000 lane highway. That's the way to think about it.

Wire today is fiber. Ninety percent of the world's communications are in a glass pipe. Guess what that means for us in the intelligence business? It's not uncommon for a foreigner, someone in Pakistan, communicating with another foreigner, someone in Iraq, both terrorists, both planning to do something, to come to the United States to attack this school or attack an office building or do something in the context of weapons of mass destruction. Their communications from Pakistan to Iraq likely could pass through the United States. A problem for my community.

The old law said if I intercept something on a wire in the United States I have to have a warrant. Now the law was written in 1978. It said you have to have a warrant because the expectation of privacy -- think back in those periods of time, you had a telephone with a wire on it. So the differentiation in that period of time was that if you have a wire you expect privacy; if you broadcast, you wouldn't expect privacy. So the wording in 1978 said one thing, the intent was very different.

The intent said if it's foreign it's okay, if it's domestic you have to have a warrant. All of a sudden, to do foreign intelligence I had to get a warrant because it was on a wire, glass pipe, inside the United States.

So we started this journey to try to get this corrected and we are having an interesting journey to try to do this.

A law was passed last summer, it has now expired. We're in a situation where we're negotiating day to day to do permission, and there's debate between the Senate and the House over how to go forward. I'm sure there may be a question or two about that a little bit later on. That's where we are.

Let me just finish up because I've taken up my 20 minutes. This is a wonderful community. It is an opportunity to serve the nation in incredible ways from science and technology to political science to history to in-depth analysis of human beings or technical subjects or whatever. It's large. We spend somewhere in the neighborhood of \$44 billion a year to maintain this enterprise. Our employees serve all over the globe, oftentimes in harm's way. But we are working as a community of professionals guided by the culture and the laws of the nation to respect not only the nation but the citizens of the nation and their rights to privacy and civil liberties, in the context of trying to find foreigners who wish us ill will.

When I look at al-Qaida today, they've established de facto sanctuary in Pakistan, the border area between Pakistan and Afghanistan. It's a relatively small number, but using modern communications they can reach literally around the globe. They are recruiting operatives in Europe, Northern Africa, other parts of the world, bringing them to Pakistan to train, training in weapons of mass destruction and their intent is to send those operatives forward to Europe, to Africa, or specifically the United States with the attempt to achieve mass casualties greater than 9/11. They're determined, they have senior leadership, they have middle level operators, they have sanctuary, and the thing that they are missing are operatives that can actually penetrate our borders. So that's where we are in the day-to-day struggle to do our mission, protect the nation, protect it physically, protect your privacy and your rights to civil liberties and still maintain a professional community that has high standards of professionalism and integrity to do the right thing.

So when I got that call back in December '06 from the White House, that it's time to come back, or do you think you can help us, I had to go through a confirmation period and so on, but I was sworn in in February of 2007, and it's been a great pleasure to lead this community as we try to now build the structure for this next generation.

We did well in World War II, we did very well in the Cold War, we lagged in the '90s because our typical mode is to take it down. We had the horrendous consequences of 9/11 when our old mode was, anything in my business looked foreign, so the al-Qaida terrorists did exactly what they needed to do to penetrate our defenses. Since they knew my community looked out only, and they knew that domestic law enforcement had much higher standards for what they had to do, they put the terrorists inside the country, now they're invisible to the foreign Intelligence Community. They had not violated a law, and therefore they were invisible to the law enforcement community, until they carried out the terrible act of 9/11.

So we've had to adjust that. We created the Department of Homeland Security, we created my position, passed a series of laws that allow us to try to track a foreign threat that actually penetrates our borders and operates inside the country. That's the first time literally since the British were here in 1812 that we had to worry about that kind of a problem other than a little thing called the Civil War.

So I think I'll stop there and invite Dr. David to attack. (Laughter). Then we can take some of your questions.

Thank you very much.

(Applause).

DR. STEVEN DAVID: Thank you, Director McConnell. I'm not going to attack. I want to welcome you here to Johns Hopkins. I appreciate your service to this country.

I'm going to talk fast because we don't have a lot of time, and I'm from New York, and we always talk fast. (Laughter).

Many Americans have lost faith in our n agencies, and with some reason. Despite the hundreds of billions of dollars spent on intelligence we have failed, our intelligence agencies failed to predict the collapse of the Soviet Union, arguably the biggest post World War II event. Our intelligence agencies failed to predict or protect us from 9/11. And most recently, as George Tenet said, it was a slam dunk that there are weapons of mass destruction in Iraq. As a result, we've been in a war, some 4,000 Americans, many others have died, perhaps due to a failure of intelligence.

What has changed fundamentally, not just bureaucratically, but what has changed fundamentally to restore the faith of the American people and the ability of our intelligence agencies to protect us?

DIRECTOR McCONNELL: Let me challenge a few of your premises going in. It's \$44 billion a year -- that's hundreds of billions. That's over a long period of time, so we've got to get that part of the record straight.

Failure to predict the collapse of the Soviet Union. A convenient thing for a journalist to use, or a professor. (Laughter). What I would highlight is we won that war. The last time I looked the Soviet Union collapsed, not the United States, and so when you think about it, how did we do that? They could not think about, design, test, field or operate a system that we didn't have counter-measures already built for by the time they put it out. So the United States military, and I was a member, would like to say we won the Cold War.

We didn't win the Cold War. We held them, basically we held them at bay while the free market won the Cold War. Now we entered into arms control negotiations in a process that allowed them to negotiate with us until they grew so inefficient, think about this, a free market system

which punishes inefficiency and rewards efficiency is what you live in. A Soviet system, a controlled economy, can only build more and more infrastructure. So what it did was implode.

So when I think about your question, about how this community performed, I would just highlight, we won.

When it's convenient for a professor or a journalist to say you didn't predict the collapse of the Soviet Union, did we say at a point in time? No. But did we do the things that needed to be done to win? I would say yes.

Slam dunk, I won't defend. I wasn't there, don't know. We have learned great lessons from something called NIE, National Intelligence Estimate, and that occurred in 2002, in October. The estimate said there were weapons of mass destruction in Iraq. The person who issued the comment was my predecessor, George Tenet. Slam dunk, talking to the decision makers about that estimate. We learned a very very valuable lesson.

What we do now as a matter of discipline is we subject the analysis to increased rigor, increased discipline. We've taken members from your community to come in to challenge us on our process and the main thing we do is we separate the evidence from the assessment. It's very easy to allow your ego to be tied up with your assessment or your belief and you become wedded to it. So we force our analysts today to separate what the evidence says and what their assessment is. And we find two things happen. The policymakers served in a much better way because you now actually know what the evidence says. And the analysts find it an easier time because their assessment is not so tied to their ego.

The last thing I would comment with regard to Iraq is those that we were monitoring, the generals and the senior government officials and so on, believed that they had weapons of mass destruction. It was a great deception on the part of Saddam Hussein. We interrogated him after he was captured, we asked him these questions, and he said one, I did not restart the program after the Gulf War. I wanted everybody to believe that because I didn't want to have Iran invade us again. Remember, they had an eight year war. And it was my intent once I got rid of the United Nations to in fact rebuild my arsenal.

So his deception plan fooled his members, which in fact caused us to go down a wrong path. We learned a great lesson. Hopefully we won't repeat that again.

DR. DAVID: Just to follow up. We professors, we're not government officials but we do try and learn from the past. And one of the lessons we learned is that sometimes you can over-learn from the past. We're concerned about the Iran National Intelligence Estimate that appeared in November 2007. The first part of the first sentence reads, as I recall, "We judge with high confidence that in fall 2003 Tehran halted its nuclear weapons program." Then the footnote to that sentence, the number one footnote says that, "By nuclear weapons program we mean Iran's nuclear weapon design and weaponization work. Not its civil work related to uranium enrichment."



As a result of this report American efforts to sanction Iran have been undermined, American allies have felt abandoned, and there is some sense in the community that perhaps having been burned in Iraq in declaring that weapons existed but didn't, there's an over-learning, arguing that weapons are not being developed in Iran that are.

Now the problem that I have with this and I know time is short so I'll speak quickly. And I teach a class on weapons of mass destruction. What I tell my students is that there are three components to developing a nuclear weapon. First, the actual weapon design; second, the delivery system; and third, the fissionable material. What I've always told my students is forget about the first two. Any country can devise a weapon and get a delivery system. What really matters is the ability to enrich uranium or reprocess plutonium. And here you have a report that acknowledges that Iran is enriching uranium, giving it the capability to produce nuclear weapons, and yet the tone of the report suggests that they are not doing so. This was a report done, with all due respect, under your direction.

Am I misleading my students, or is there something wrong with this report?

DIRECTOR McCONNELL: You are misleading your students and yourself, so let me point out what that is. Read the footnote again.

DR. DAVID: Okay.

DIRECTOR McCONNELL: Read the footnote again so the audience can hear. Read the footnote.

DR. DAVID: Well, I don't have it word for word, I have, "By nuclear weapons program we mean Iran's nuclear weapon design and weaponization work --"

DIRECTOR McCONNELL: All right, stop right there.

DR. DAVID: "-- not its civil work related to uranium enrichment.

DIRECTOR McCONNELL: Ah, not the uranium enrichment program. Now here's how it played out.

We've done probably 300 NIEs in our history. NIE, for those of you that aren't familiar, is a National Intelligence Estimate. It's the best work that the community can do. It's very very important work. We have to make the call. There are 16 agencies in the community so we bring all the 16 agencies together and we argue and wrestle over every word. Three hundred of those in our history.

Four of them have had unclassified key judgments. Now the four are two on the war in Iraq and one last summer on the terrorist threat to the homeland. But like all things that are a little temporal, we had one in the fall of 2006, we had one in the winter of 2007, and we had one in the summer of 2007. There became an enormous expectation, you're going to do NIEs, certainly you're going to have unclassified key judgments.

Now to the Director of National Intelligence, unclassified key judgments is a great issue for me. At a minimum I'm telling a foreign power what I know about them. So what are they going to do? They're going to make my job much harder for the next round. They're going to try to hide things or do it a different way or so on.

So normally we don't want to have unclassified key judgments. So I negotiated throughout the government a policy that said we will not do unclassified key judgments for our National Intelligence Estimates. That was all agreed. We signed it out in October.

Now we did this NIE to be finished in the summer of 2007. We got new information that was very comprehensive and we had to work the information from early summer all the way through to November. We did not agree as a community until the 27<sup>th</sup> of November 2007.

Now here's the issue. We went into the write-up, and we had agreed on a policy, no unclassified key judgments. We wrote the assessment for a sophisticated audience that understood what we were talking about. Now here's the rule. Here's the hard part. If you have classified key judgments and you're going to go to unclassified key judgments, what happens if you make them different? You're lying, you're misleading, lots of things.

So when we delivered the NIE, the fact of the matter was we had the policymakers, my predecessor and me on the record saying one thing and that caused an alteration to that. So we had no choice but to go with the unclassified key judgments.

Now the attempt was, with that footnote, to do what you just said. If you had caught my testimony as I was grilled, similar to this conversation, in front of the Senate and the House, I made very clear the same points you just made. The most important part is fissile material. Secondly is delivery and tertiary, it's weapons design. What that report said, if you go back and look at the words, they halted weapons design. They continued fissile material.

What does that mean as a practical matter? If you have the fissile material and you do a pre-device, you can have a nuclear yield in six months. So I went back to look. We did an estimate in 2001, 2005, and 2007. The time and the fact of nuclear weapons is consistent in all three of them. So what I would advise is, we have a policy that we had to adjust at the moment of closure. We will try to adhere to our policy in the future of not having unclassified key judgments, because I don't want young analysts to be in a position of thinking what they're writing is going to be debated in the newspapers and so on. They need to be writing for a sophisticated audience with what the facts say.

So we delivered the facts.

Now if I had been clairvoyant, and I'm not; if I had predicted the Soviet Union, I didn't; I might have said let's rewrite those key judgments so that if they're released it puts it into the context you just suggested. So we learned a lesson.

So I can assure you that going forward from this point we will write our key judgments at classified level with the intent not to release them. But if we decide to release them, they will be written in context so it would take care of the point you're making.

DR. DAVID: All right. Just for the record, I have not misled my students who are taking my class. The key thing is fissionable material. (Laughter).

DIRECTOR McCONNELL: Which I'd have you read the footnote one more time. The key thing -- now depending upon your political persuasion, if you did what I was just accused of, the way you described that, the footnote was buried -- of course it's right on page one. Now if you liked what I had to say, it's prominently featured right on page one. So there's a little bit of political persuasion that goes into how this was picked up.

The evidence speaks for itself. The truth's in the package. And I agree with Dr. David, the key is fissile material and Iran is continuing down a path for fissile material.

Let me make one other point with regard to what you said. The coalition collapsed. Not true.

We just had a United Nations Security Council Resolution for not only continued but even tougher sanctions. So we did have this little debate, well, I didn't know, who knew, what did you say? Oh, read the footnote. Oh, is that what you meant? So we went through that period.

Now if you look at any newspaper account it says what you said, NIE says that Iran canceled its nuclear weapons program. That's not what the NIE says, it described it the way we just went through it. So once that was understood, we're right back to where we were. We just had a United Nations Security Council Resolution and we're going to hold the line to attempt to keep Iran from developing the capability for nuclear weapons.

DR. DAVID: Thank you. I'm going to go very quickly and I'm going to probably need a quick response, just so that we have time to get all this in.

DIRECTOR McCONNELL: I can do quicker answers than you can do questions. (Laughter).

DR. DAVID: Well, we'll see. We'll see.

Why hadn't the United States been attacked in a major way by a terrorist group since 9/11 in your opinion? Is it capabilities or willingness?

Just to expand a bit, it would seem to me that capabilities are not that difficult. We had the Washington sniper here a few years ago, we had two jerks in a car terrorizing the whole region. Why can't al-Qaida recruit several people, shoot up shopping malls, blow up busses, and what not, terrorize the region? Or are they waiting to do something bigger? Or is it that the intelligence agencies are simply depriving them of the capability of even these lower level kinds of threats? Why have we been safe since 9/11?

DIRECTOR McCONNELL: I'm a little bit surprised at the question. You ask the question as if you're disappointed that we weren't attacked.

DR. DAVID: No.

DIRECTOR McCONNELL: I'm glad we're saying we haven't been attacked. Now why is that? Let me divide individual from spectacular. When I say spectacular, the intent is a weapon of mass destruction. That's the intent. That's hard. You've got to get it. There's been some level of dialogue talking about millions of deaths. It is acceptable to impose millions of deaths on this country to achieve al-Qaida's goals. There is that dialogue.

Individuals. There have been many individuals. We have stopped dozens and dozens. So we're pretty good at this. We've made it much more difficult for a foreigner to penetrate. We've been much more vigilant about self radicalization, and there have been a number of those that have been prevented. You see some of them in the press. Fort Dix up in New Jersey, you probably remember reading about that. There are others.

The intent of the al-Qaida operating in the FATA, Federally Administered Tribal Area, an ungoverned area, never governed from the outside in its history, about the size of New Jersey, about 3.5 million people. There are about 200, 300, 400, 500 hard core al-Qaida members there. What they're attempting to do is to establish a network in Southeast Asia to Northern Africa, to Morocco, and recreate the caliphate. As a part of that they want to penetrate our borders and UK and Germany and France with weapons of mass destruction to drive us out. The reason that it hasn't happened is we've been successful. And one of the reasons I am so passionate about the Foreign Intelligence Surveillance Act, that's one of the primary if not the primary means that we use to understand and track. So it's essential for us to have these tools if we're going to continue to protect the country.

DR. DAVID: Let me talk about torture. Is waterboarding a form of torture? Is it an effective means of extracting information? If it is a form of torture or if it is not an effective means of extracting information, why will not the Intelligence Community, the CIA forswear its use?

DIRECTOR McCONNELL: Let's take it from the beginning. Has waterboarding ever been used by a professional organization whose mission is to extract information? The answer is yes. You might ask what are the circumstances? Three times. Situations where there's been interrogation over a period of time. It was unsuccessful. Water boarding was used and then information started to flow.

Just to put it in context, probably upwards of a quarter to a third of all the information generated in this period of time came from these three individuals. It's saved lives.

I would be willing to say it's saved lives for some of the people who know, of people who are known to people in this room. So you've got to ask yourself the question, is it worth it?

Now here's the problem for America. We have a political system that will define the bounds. This community, will always operate inside those bounds. Now what the image, particularly

across the country, the image is Abu Ghraib. It was an abhorrent situation where some youngsters got out of control and did some terrible things, made photographs, and they are suffering the penalty or the punishment for having done that. That's what people think about when they say torture.

We went through along debate about how to do this consistent with the Geneva Convention and so on. Laws were passed. And we agreed upon an Army Field Manual for how interrogations will be conducted by the U.S. military. That in fact is where we are.

Now think of the Army Field Manual is about like this. Think of the law is about like that. So the question is, if it's legal within the law, do you want to keep those techniques available in a situation where it might save lives, particularly if it were weapons of mass destruction?

Now add one other thing. Those three interrogations with waterboarding were hardened criminals. Khalid Sheikh Mohammed. Go to the web site, look up KSM, read about him. It was his intent to repeat 9/11 many times over and he would not speak with us. Also in the timeframe, this happened in 2002, might have gone to 2003, I just don't remember, but 2002 timeframe. We didn't know much about al-Qaida. This was a period of time when we just did not have information, understanding and so on. Have we used it since that time? No. The President gave us a list of techniques. Is it in that list of techniques? No. If we needed to use it, what would happen? We would have to ask, first the Agency would have to ask me, I'd have to agree or disagree. Then it would have to go to the Attorney General. The Attorney General would have to make a ruling, legal or not. Then we'd have to go to the President and get permission. Once that happened, you have to go notify the Congress.

So the way I think about it is we will abide by the laws of the nation. The laws right now are this size. The Army Field Manual is this size. So do we want to take all those options away and move them down to something smaller? That's a decision for the nation. If the nation does it, we will comply. If the nation leaves that larger body of techniques open, then we'll use every technique available to us given it would prevent a horrendous attack on the United States.

DR. DAVID: Again, just to clarify, if you felt the situation warranted it, you would use waterboarding, and you do believe in certain situations it's effective and the only way of extracting information.

DIRECTOR McCONNELL: Were you listening?

DR. DAVID: Yeah, I listened to every word.

DIRECTOR McCONNELL: Well, I said it's not in our list of techniques. If we decided we needed it we would go through a procedure to get permission and we would go notify the Congress.

So if it's not illegal and it would prevent an attack on a city that would save hundreds, thousands of lives, would we use it? I would certainly be persuaded in that direction, given that the Attorney General verified it's a legal technique.

Does it work? Yes, it works.

DR. DAVID: Last question, and this is a bit off the board but it has to do with employment. I meet with many students at Johns Hopkins who want to work in the intelligence agencies. Partly because I teach in national security areas. And many of them find it a nightmare, not because the recruitment in the intelligence agencies is so selective, but because the human resources and recruitment people are so inept. They don't know what they're doing. They make the Baltimore Motor Vehicles Bureau look efficient in comparison. (Laughter).

DIRECTOR McCONNELL: I would hate to be with you when you go get your license renewed.

DR. DAVID: Coming up. (Laughter).

Students tell me they get no responses. They wait forever for interviews. When they are accepted they go on endless security clearances. If they're studying abroad they're told they can't apply from foreign universities. As a result the best students, especially those with foreign backgrounds, with linguistic skills, who have traveled, who have done the kinds of things we think our intelligence agencies need, are often the ones who get discouraged and wind up in the private sector and we don't get the benefit of their talents.

Given the fact that most of the turn coats in this country become traitors for reasons other than ideological motivations -- for money or personal problems -- don't you think we need to overhaul the way we're selecting our very best young people.

DIRECTOR McCONNELL: Yes.

DR. DAVID: And how are we doing it?

DIRECTOR McCONNELL: We're doing it in a very robust way. Let me explain sort of the mindset, where we are and where we're going. You've probably never heard these words. There's a concept way to think it's called need to know. Need to know means I have information and you may think you need my classified information but if I own it, I'm the steward, I'm the owner, and you have to demonstrate a need for me that I would approve before I would share some of it with you.

What that means is, go back to breaking German code in my example early. German codes in World War II and Japanese codes. The last thing we would want to have happen is that the Germans or the Japanese found out we're breaking their codes. It would have been a very simple manner to change the rotors or the process or whatever. So you get in a situation where it's absolutely essential to protect sources and methods. Culturally you grow up around that. And we just went through a 45 year Cold War.

The bottom line in the Cold War is if you were of foreign descent, had relatives in a foreign country, it wasn't in legislation but it was in practice, you don't want to risk bringing that person into your organization.

Now where are we today? What I'm attempting to do is to change a need to know culture -- I have it, I own it, you must demonstrate a need to know it -- to responsibility to provide culture -- I have customers, I have information, it's my job to get better information, to find the user and deliver it.

Now if I'm successful in doing that and we start to morph and change this culture so that we behave differently, that's the first part.

The second part, we went to the financial services industry. Now in financial services they move billions of dollars at network speeds. Less than a second. Billions, great distances around the globe. If you could slow that a second or two seconds you could engage in arbitrage and make yourself personally millions of dollars. So the point of my story, you would be highly incentivized to interfere with the process so you could personally gain.

How long do you think it takes the financial services industry to hire people to do this work, to include foreign nationals? The answer is, about five working days. How long does it take the U.S. government? Somewhere between four months to a year to 18 months. A little bit different mindset.

So I went to the Department of Defense and to the Office of Management and Budget, OMB, and said we need to reengineer the same way that financial services runs their process. So we've agreed to do that and we're running pilot projects and we're going to try to change, we won't get it to five days, we won't get it to ten, we might get it to a month. But I'd like to get it to a month from the time somebody applies until we can get them on board.

The second thing, we need people with native language skills. That means if we do that normally they would have relative sin the country that might be a target. We've got to learn how to deal with that, and we're going to.

So for the audience, I'll give you an e-mail address. [\*]@dni.gov. That's me. If you want to come in this community and you're having trouble, you send me an e-mail, [\*]@dni.gov, we'll get you an answer and hopefully we'll be a little better than the Baltimore Motor Vehicles organization. And I do want to wish you good luck when you renew your license.

DR. DAVID: Thank you. And I'll conclude my questions now and leave this open for the audience. But thank you very much for your responses.

(Applause).

QUESTION: I'm a long-time resident of Baltimore, a member of the Johns Hopkins community for 40 years. I welcome you to this stage.

DIRECTOR McCONNELL: Thank you very much.

QUESTION: I just want to read a couple of quotes here and then I have a little short questions.

This is a quote from David Petraeus. He says, "This fight depends upon securing the population which must understand that we, not our enemies, occupy the moral high ground. Beyond the basic fact that such actions are illegal, history shows that they also are frequently neither useful nor necessary."

Second quote.

DIRECTOR McCONNELL: What is neither useful nor necessary? I missed the point.

QUESTION: We're talking about waterboarding. We're talking about torture.

DIRECTOR McCONNELL: Okay.

QUESTION: From a letter written to the Senate Select Committee on Intelligence that says, "We believe it is vital to the safety of our men and women in uniform that the United States not sanction the use of interrogation methods it would find unacceptable if inflicted by the enemy against captured Americans." You understand that one, right?

DIRECTOR McCONNELL: Uh huh.

QUESTION: We don't want that happening to our people in uniform.

DIRECTOR McCONNELL: In uniform. Remember that audience, the key is "in uniform".

QUESTION: In uniform, absolutely. Here's the folks who signed onto that statement.

DIRECTOR McCONNELL: It would be the entire nation.

QUESTION: No, it would be General Joseph Hoar, United States Marine Corps; General Paul --

DIRECTOR McCONNELL: It's the law of the nation.

QUESTION: General Paul Kern, United States Army; --

DIRECTOR McCONNELL: Put Mike McConnell on the list, too. I signed up to it.

QUESTION: -- United States Marine Corps; General David Maddox, United States --

MR. ROSE: Do you have a question, sir?

QUESTION: I'm almost done. General Merrill McPeak, United States Air Force. I'm going to get to the question. I've got three more names. Vice Admiral Lee F. Gunn, Admiral Stansfield Turner. You know all these people, don't you?

DIRECTOR McCONNELL: I know them all. I agree with them.



QUESTION: And you agree with them. Okay.

DIRECTOR McCONNELL: So what's your point?

QUESTION: The point is that we have a national security infrastructure, an idea about what really constitutes security in this country, and it's not the only view. There are other views that we would be much better off with a national security idea or community that would pursue something that would make us morally take the high ground as Petraeus said.

DIRECTOR McCONNELL: Sir, are you going to get to a question?

QUESTION: The question is, do you feel that's a possibility?

DIRECTOR McCONNELL: I feel that's a fact. I agree with everything you just said.

QUESTION: How then do you justify what you just justified when what's his name was up here?

DIRECTOR McCONNELL: I guess you didn't listen. You'll have to go watch the tape.

QUESTION: You're so arrogant, that people cannot -- You're very arrogant.

DIRECTOR McCONNELL: Well, I have a different opinion.

QUESTION: You mentioned earlier the desire of terrorists and adversaries of America to use weapons of mass destruction against us. The way I see it, there are three ways of getting it. It's either they build it themselves, which is probably not that feasible; they purchase it from someone else, possibly a rogue state such as Iran or North Korea; or they can steal one, possibly from the defunct Soviet Union or even other states. What is the most likely, in your opinion the most likely means of terrorists acquiring weapons of mass destruction?

DIRECTOR McCONNELL: Probably stealing it from someone who has access, is my biggest worry. We watch all the various possibilities, but that's the one that I personally worry about the most.

QUESTION: Admiral McConnell, Jeff Bliss, Bloomberg News.

I wanted to ask you what you think about the FISA bill that's going to be voted on in the House and also your comments earlier about declassifying key judgments in NIEs. Does that mean the upcoming NIE on Iraq will not be declassified?

DIRECTOR McCONNELL: All future NIEs will not have unclassified key judgments if I'm persuasive enough among the decision makers.

QUESTION: Do you think you will be on that one?

DIRECTOR McCONNELL: I'll make the best argument I can.

QUESTION: Can you talk about the House bill?

DIRECTOR McCONNELL: The House bill will not allow us to do what it is we need to do. If you'll go check their web site, the Attorney General and I signed a letter about 3:15, and it will answer all your questions.

QUESTION: Can you just summarize it?

DIRECTOR McCONNELL: It would in essence shut us down from what it is we have to do, to be timely and agile, to move within the timelines in which we must operate to protect the nation.

QUESTION: You speak of an al-Qaida that's holed away in a sanctuary in Pakistan, determined to strike the U.S.. Now I recognize that obviously al-Qaida is a very international organization, but how are the trillions of dollars being spent in Iraq and Afghanistan making it safer from al-Qaida? Don't you feel that we are simply radicalizing the new recruits that they need to strike America?

DIRECTOR McCONNELL: Well, I don't know how closely you're following the situation in Iraq currently, but al-Qaida was in Iraq. You can argue they weren't there before, and they were drawn to Iraq and I would agree with that. But they were engaging in activity to attempt to create self-sustaining sectarian violence. They were doing things like cutting off the heads of children and sending them to their parents to make a political point. At a point in time that became too much for the Iraqi people, particularly the Sunnis and then later the Shias. So they turned on al-Qaida in Iraq. So if you look at their capability now, where they were predominant earlier, they've left that area. They've moved to the north. They still have the ability for spectacular attacks. They will try to do that. You will see them periodically. But if you're engaging in a suicide bomb attack it's from a position of weakness, meaning you don't have another alternative. So they've suffered pretty significantly.

The broader question you would ask about the engagement in Iraq is, will it be successful in creating a democratic government in the Middle East for the future of an area that's very unstable? So that becomes a political judgment. I'm sure you've got your opinion, others would have their opinion. But in terms of al-Qaida in Iraq, they are significantly reduced from the capability they had just a year ago.

MR. ROSE: This is going to be the last question. Thanks.

QUESTION: Thank you, Admiral. The House Majority Leader, Steny Hoyer, stood up when they wouldn't pass the FISA bill and said there is no threat. Do you agree or disagree with his sentiment?

DIRECTOR McCONNELL: I would disagree. As I just tried to go through, we know where they are, we know what they're doing, we know their intent, and one of the major tools that we

use to be able to track and understand are the tools we've been discussing. So I just have a disagreement with the Congressman.

Thank you very much.

(Applause).

MR. ROSE: On behalf of the Foreign Affairs Symposium I would like to thank you, Director McConnell, Dr. David for your questions, and for all the audience's questions -- well, almost all the audience's questions. (Laughter).

Mr. Director, so that you'll always remember your afternoon here at Homewood, we'd like to give you a small token of our appreciation.

Very quickly, before we conclude and before I can present the Director with this great gift -- a coffee mug from Johns Hopkins with some Johns Hopkins (chotskies) in there, I'd like to remind everybody that on April 8<sup>th</sup> at 8:00 p.m. Joseph Stiglitz will be speaking in the Glass Pavilion for another Foreign Affairs Symposium event. Also following this event there will be complimentary free food and refreshments upstairs, that is if the press hasn't finished them all already. (Laughter). So let's just have one more round of applause for the Director of National Intelligence, Mike McConnell. Thank you, sir.

(Applause).

\*Redacted