



**Media Roundtable with Mr. Dennis Blair
Director of National Intelligence**

**ODNI Headquarters
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DIRECTOR DENNIS BLAIR: Great, well nice to see everybody. I'm sorry it's been a couple of months since I got here. It feels longer. You know, two months in this job is 14 dog months – (laughter) – and I think that counts. But I know there've been many, many requests of you all to meet with me individually and we can do that in the future, but I thought the best thing to do first off was to meet with all of you and try to set up a baseline for a relationship and some initial impressions that I have while on the job.

I've known some of you in former lives and I was able to be a little bit more open when I wasn't getting a government paycheck, but I am now, but I think you know that my reputation is trying to answer questions as honestly as I can; trying to be as open as I can given the inherent classification of a lot of the work that we do and I certainly want to go forward in that spirit. So let me just say a few things to start out with and then we'll turn it into a discussion pretty quickly.

The question on your mind may be: How did I get here? I can tell you that before the election last November I'd had one conversation with then Senator Obama when he was in the Senate about two years previously. And so I was quite surprised to receive a phone call from him asking me to join his team, but I thought that it was extremely important to try to promote American interests in this time. So I was happy to join the team and when he asked me to be the Director of National Intelligence based on my previous experience, I thought that was a very important job which I was happy to take on.

So that's about all I know of how it happened, and maybe some other people know some more, but that's how it looked like from me. I had always been a consumer of intelligence, a pretty demanding consumer, I think, my reputation, but I've also had a great admiration for those who collect it and those who analyze it and those who do it well. Any military commander can tell you that intelligence is extremely important and that goes for just about any sphere of activity in government.

I did think that the Intelligence Community could use some more work to become greater than the sum of its parts. This particular DNI job is only four, five years old and the integration of the various amazingly effective parts of intelligence that we have is even better when you get them

together working as a team. So to be able to try to drive that beyond what John Negroponte and Mike McConnell did is a great challenge which I take seriously.

Let me give you a quick few impressions on the job. I guess I was last involved on the inside of intelligence, back in the mid '90s when I was the Associate Director of Central Intelligence at that time for Military Support. And that was when I looked at it closely. After that I had a pretty selective interest in the jobs I had, but it wasn't really down in the boiler room; watching how it was put together. And I must tell you that I am very impressed by the progress in the last 10 years. We understand things about countries that we were guessing about before. We are able to gather secrets which were hidden from us previously. And the overall level of understanding of the things that are important to the United States has increased remarkably; so I'm impressed by where we are.

If you look at the level of intelligence support to our troops in Iraq, it's something that military troops in the field have only dreamed about in prior times. The way we are able to push a very highly classified, very precise intelligence down to low levels of military units and the way that they can use it to get the job done is quite remarkable and a tribute to everybody who's been in it.

I continue to be impressed by the workforce. You probably know over half of it has come in since 9/11; it's a new generation of both collectors and analysts. They come in for a lot of the right reasons and they're producing very good results with enough gray heads around to help guide them in the right direction. There's greater diversity within the intelligence workforce than there was in the past. We look at those statistics and although we want more, not only for professional reasons because we need the cultural diversity to do our job, but also because it's right for American government organizations to be more reflect the diversity of this country. We don't look bad, but there are areas in which we need to improve, and we're working on that and the progress is in the right direction although not as great as it should be.

Another thing I've been impressed by and has dominated a lot of my time early on, are these initial policy reviews that the administration has conducted. There are some 20 of them that have been going on over the major issues that this administration faces as it came in. And some of them have been announced already: the Iraq policy review. The President has said where we're going on that: An Afghanistan-Pakistan strategy is imminent in terms of its roll-out.

Many others are under review and I can tell you that the intelligence has played a key role in making those reviews realistic and then ensuring that those who have to make the policy in those area are doing do on the basis of a clear-eyed understanding of what is going on, on the ground in that particular area. I think that's sort of the first important half of speaking truth to power, is letting the policy-makers know just what the threats, opportunities, the strategic landscape is, as we try to support American interests in these difficult areas of the world and on these difficult issues.

When we finish a policy review and a policy is set, then telling truth to power shifts to the monitoring function: Is that policy working? And in virtually all of these areas, an important mechanism that we're using to do that are benchmarks in which we can judge in segmented areas

as to what is the progress that we're making and is it what we expected? Are some of the obstacles that we saw proving to be greater than we had predicted? Are there new ones that we didn't talk about?

So I think I've been very satisfied with the initial role of intelligence and now we are concentrating on determining whether the policies are achieving the results that we intended. So that's been a big focus of our activity. And it's been done through strong substantive briefings, through interactions through the way we provide this knowledge to the President himself and to the key decision-makers.

For these first few weeks, I've had I think three priorities that have taken most of my time: One is getting to know both my own staff here at Liberty Crossing and the senior staff and key members of the 16 intelligence agencies who are represented across this bulkhead in back of me. I found a high quality there, many people are staying on in jobs, but I'm also bringing in some new people who either I or people whom I respect think would be able to make a good contribution.

We're looking at the organizational relationships; who's doing what. I would tell you that the approach I'm taking is to work primarily on the processes of what we do rather than trying to move block and line charts around on a diagram. In the intelligence business I think it's especially important that we be able to work in sort of cross-cutting matrix fashion on many of these problems and not spend a whole lot of time worrying about who has to be on the chop list of a paper as it moves forward. And so what we're trying to do is work on processes in which we all contribute rather than trying to invent new diagrams of who reports to whom.

And I found a very good responsiveness among both the leaders and the workforce; that's the way good businesses do it in the future and particularly in the knowledge business, which is what we are in, in intelligence. I've also been working to make sure that intelligence is playing its right role within the overall national security process. I referred to that a little bit in terms of these initial views, but it cuts across the range of a proper role for intelligence and keeping this country safe.

I've spent quite a bit of time building strong relations with Congress. They've told me that they weren't entirely happy with the relationship they had with the Intelligence Community in the past and that's not right. They need to understand and be supporters and partners in what we're doing. I've been up there for a bunch of briefings on the Annual Threat Assessment. I've been talking in less formal settings about some of the individual issues that we have and just working very, very hard on trying to establish a good partnership with the Congress.

Last night, we had a, for example, a reception which I hosted along with the leadership of both the Senate and House Intelligence Committee and there was a good buzz in the room. It looked to me like a group of people on both ends of Pennsylvania Avenue who are headed in the same direction in discussing tough problems; so that was good. It went on later than closing time and we finally had to close the bar down. (Laughter.) So that was good.

Another priority of which this meeting is a clear part of is trying to improve the public understanding and support of what the Intelligence Community is about. Although we can't talk about many specific aspects of our work, the American people have to be convinced that we are patriotic, hard-working Americans who reflect American values, who are working hard on tough problems and working to keep them safe. And the only way, one of the main ways we can get that message out is through talking about as much of what we do, even as we can't talk about some of the details. So those are sort of in the priorities.

The priorities, the challenges that I see initially – as we all know this is a new office. There are only two pictures on the wall in the entrance that you came in so we're a work in progress. And two of the major issues that were really inherent in the IRTPA legislation and which really lie at the heart of an effective Intelligence Community or relationship between this office and the Department of Defense and the relationship between this office and the CIA.

On defense, most of that \$45 billion of our National Intelligence Program goes to the combat support agencies headed by uniformed officers who have a dual reporting chain, both to me and to the Secretary of Defense. They understand because of their background that they have to use their big multipurpose collectors, both for support of military troops and questions that military officers need answers and to help collect the information that we use in analysis to support good policy. And I think that's working pretty well, primarily because of the skilled leadership of Admiral Murrett and General Alexander.

There also is an interesting complementarity and backgrounds between Secretary Gates and me. I grew up in the military world, he grew up in the intelligence world and we find that we can communicate pretty well and get the right thing done for the country. So that relationship is going well at the top, which of course makes a lot of the things we have to do together a lot more possible.

On the CIA side, again the Director of CIA used to be the Director of Central Intelligence. When you talk to some of my predecessors, they say they can't imagine how they did both jobs and they think it's a good idea to have one person focusing on the CIA and another person trying to integrate the community in general. And I think that idea is fundamentally correct. My role is policy, budgets, oversight; Director Panetta's role is management, execution of assigned operations.

I'm the President's Principal Intelligence Advisor, but when you have a man like Leon Panetta with his enormous experience, it's also important for the President to hear from him directly too on things that he knows a lot about and has a wonderful sense for, giving the time he spent on the Hill, directing OMB and of course as Chief of Staff at the White House, and how he's been doing since. Leon and I meet frequently, we're on the phone multiple times each day and I think that's going very well; so that's where that one stands.

Let me just wrap up by talking about some of the substantive challenges that we face. As you have seen, this administration has widened the scope of national security; it's gone way beyond just worrying about nation states that can oppose the United States. We have to scan and understand a much wider set of challenges, a complex range of issues from nation states that are

challenging us to nation states that are failing us, to issues that cut across that such as cyber security, global climate change, Muslim extremist groups using violence, proliferation of weapons of mass destruction.

So it's an enormously complex area and of course it now includes merging intelligence activities in the United States formed chiefly by the FBI, the authorities at the Department of Homeland Security with what we do overseas to keep the country safe at home; so enormous complexity.

Another change we're trying to make is to not just warn about threats, the bad stuff that's out there that's coming at us, but trying to discern opportunities in places where the United States can make progress in terms of advancing the interests that we have in the world, rather than just playing defense against those who are coming after us. Virtually every piece of analysis we see on an important issue will have not only a threat section but also an opportunity section. How can we help policy-makers find the levers in a situation which will enable us to advance our interests and our common interests?

So that's sort of the challenge of where we are and, again, I'm happy to be having this session to try to communicate with the American people about what we're about. We think – we know that we can do the job we have in protecting this country while doing it in a way that Americans will be proud of, that will respect their civil liberties, will respect their privacy and also will have us acting in a way that they would be proud of if they were standing next to us. And they're plenty of people who can help them do that. So let me stop there and turn the lecture into a discussion and take some questions; we have quite a bit of time to do that so let's start here.

QUESTION: Director, I know you've said several times that the economy is one of the top threats the nation is facing, but when you look at other issues like Pakistan, Somalia, issues in South America, threats that al Qaeda pose and other terrorist organizations and balancing that against your responsibilities, you know, the intelligence collection and the policy reviews, what would you say today is the biggest challenge when it comes to, not the policy side, but to the actual collection of intelligence and turning that into actionable information when it comes to protecting this nation from its main threats?

DIRECTOR BLAIR: You know, it's interesting. My predecessors during the Cold War could answer that question very simply. It's the Soviet Union and the Warsaw Pact. Our simple job is to steal their secrets and screw up their agenda; everything else is a lesser included capability; any more questions? (Laughter.) And now it's just not so; you can't take your eye off a lot of balls and so you got to be worried about a diverse number of things.

I think what – the approach that we're trying to take is sort of, really understand that strategic landscape in all its complexity and then be able to have a flexible intelligence organization that can bring the great weight of its capability to bear on a problem when that problem rises up in near-term priority, or whether there's – where there's an opportunity.

So I remember back when I was in the Intelligence Community 10 years ago, we tried to set a – through a national-security directive, we tried to set what the priorities are in the world, on the reasonable grounds that we would work on the top three and let the bottom three go. What we

now use is something called a National Intelligence Priority Framework, which is a – if I showed it to you, it's about a 70-by-70 matrix with countries and issues down one side and then the specific things that we need to know about that issue on the other side, and then we color them with the degree of priority that they have right now.

We re-evaluate that National Intelligence Priority Framework formally every six months and informally, as we have. And it's quite remarkable, if you – you know those time-lapse pictures where things change? If you showed a time-lapse picture of that National Intelligence Priority Framework, you'd see, sort of, colors shifting over time as things came up, in terms of their threat or in terms of an opportunity that they – so I just, I think it's a mistake to tie us down to, this is my important priority.

There are enduring things we have to spend a lot of time on because you can't instantly generate intelligence about a country that's very good at keeping its secrets that you know is going to be a factor for a long time. And we have to work on those – we have to work on those every time. We have to keep an excellent baseline understanding of what's going on in the world, but then we need to be able to flex.

QUESTION: On the disposition of the prisoners at Gitmo, you've got some options, and none of them are really great. You give them to governments overseas who may jail them or release them, and we've seen some of what's happened there. There's some talk about releasing, or putting some in U.S. jails.

DIRECTOR BLAIR: Right.

QUESTION: Possibly releasing some inside the United States, the Justice Department talked a little bit about perhaps releasing the Uighurs in the U.S., or at least some of them. What criteria are you using to make those determinations, and what – if anyone is released into the U.S., what kind of follow-up will you do with them for security and what kind of assistance would you give them to sort of get them started in our country?

DIRECTOR BLAIR: I probably couldn't describe the process any better than you just did. We are building dossiers on each of the detainees in Guantanamo that puts together all of the information we have about them. We're developing a process to make an evaluation of what can be done with them, given the options that we have.

And in the case of each of those – each of the, those options, we are in fact thinking through the additional measures that have to be taken, some of which you cited. If they are sent to another country, we have to be sure that that country will treat them in a humane fashion. So that's part of the – that's part of the consideration. If they are to be detained in the United States after some sort of process that determines that they are too dangerous to let out, or have committed offenses that merit punishment, we have to worry about where they're put and what the effect is on the – what that effect might be on the place where they're placed.

If we are to release them in the United States, you can't just sort of, as you said, put them on the street and there, but we need some sort of assistance to them to start a new life and not return to

some of the conditions that may have inspired them in the first place. So all that is a work in progress. It's under intense timeline because a year is not a very long time to go through that complexity. So all that's in process.

QUESTION: Sir?

DIRECTOR BLAIR: Yeah.

QUESTION: There's been much talk about, as part of a political settlement in Afghanistan, reaching out to the Taliban or some elements of the Taliban, or at least trying to wean them away from al Qaeda. As part of your assessment, what is the nature of the Taliban that would lead one to believe that such a thing is possible, as opposed to the Taliban that ruled Afghanistan in 2001?

DIRECTOR BLAIR: I'm learning about this as I go along as well, but there are Taliban and Taliban. Some of them have fairly local issues, which had to be handled locally. Some of them have pretty hardcore, aggressive ideas which are unlikely to be ever compatible with American interests, and what our – I think what the intelligence side of this is to understand with a degree of granularity the motivations and factions within that broad group that goes under Taliban and deal with them in a way that – in a way that advances our, advances our interests. So it – if you talk to some of the – I mean, some of the hardcore are in one area, some of those who simply want a better life and their values are in another quorum and we've got to work in between those. Over here, yup.

QUESTION: A couple things, what have we learned, now that North Korea has moved a missile out onto the launch pad, and what have we learned about their intentions in process, and then how would you – how do you think you'd evaluate a launch at this time? And then more broadly and policy-oriented, I understand you have a number of NIE's in the works, and do you expect to follow your predecessor's bias towards not releasing them unless there's a compelling reason to, or do you see the NIE's as being part of the Obama administration's transparency?

DIRECTOR BLAIR: I think North Korea is attempting to demonstrate an ICBM capability through a space launch, and that's what they're up to, trying to use the rationale of a legitimate space launch for a missile which is in its foundation a military missile, the Taepodong missile, growing out of Scud military technology. I think that most of the world understands the game they're playing, and the U.N. resolution that condemned their missile activity was aware of that distinction. So I think they're risking an international opprobrium and hopefully worse when they – if they successfully launch it, or if they launch it at all.

On NIE's, you know, I'm kind of new to the game, and I think in general on the core national security, traditional national security issues, in which – let me back up. When you try to write an NIE, your primary purpose is to inform good – support good policy, so you try to write it using every bit of secret information that you've gathered. So you want to tell the Secretary of State, Secretary of Defense, the President, Secretary of Homeland Security, everything we know about an issue, which involves a lot of secrets.

So – and that’s the primary purpose of this thing. So my main – my going-in assumption is you write these at the, you write these at the classified level and you use them at the classified level. I guess the only track history I have with this, so far, is with Iraq, where our predecessors wisely began a National Intelligence Estimate on Iraq last summer, foreseeing that whatever new administration came in would want to make a good use of it.

And so the National Intelligence Estimate was written so when the Iraq policy review began shortly after the inauguration, the Intelligence Community was well-poised to talk about what was going on in Iraq, and that work was used to support the Iraq policy which was announced. I think it’s better that the intelligence is announced as part of the policy than it be published separately. That being said, there – with this broader definition of national security, there are – there are some subjects on which we will mostly be using unclassified material and in which there are a lot of open equities. The National Intelligence Estimate on Climate Change is a recent example.

So I guess my answer is, on the traditional ones, I lean towards continuing to keep them classified. By the way, classification does not mean keeping them from Congress. Of course, we brief them there widely to tell them what the basis of our judgment is. But as far as public release, I’m not sure – I lean against that in most of the traditional areas.

QUESTION: There’s been a lot of talk this time about the Chinese military and how they’ve grown over the last number of years. How has the Chinese intelligence capabilities changed and been – are they better, more sophisticated? How are they different?

DIRECTOR BLAIR: You know, I just don’t think I’m going to go there in a public forum. I can’t think of any way of answering that question in an unclassified format that would be useful, so do you have another question or shall I shift to somebody else?

QUESTION: On North Korea, have they started fueling the rocket?

DIRECTOR BLAIR: What’s that?

QUESTION: North Korea, have they started fueling the rocket?

DIRECTOR BLAIR: I can’t think of an – answering a question – that question either, in an unclassified format, so – (laughter) – when –

QUESTION: Do you need a few minutes?

DIRECTOR BLAIR: When we get you a clearance, we’ll answer some of your questions, so let me ask here.

QUESTION: I have one. Afghanistan.

DIRECTOR BLAIR: Yeah.

QUESTION: Can you – what is your assessment of the breadth and depth of support from ISI, from the Taliban insurgents inside Afghanistan, both in material and intelligence, and what's the impact of that on the battlefield? How much does that help?

DIRECTOR BLAIR: The relationship with the ISI with the Taliban of course has been strong in the past, that's well documented. And what the primary objective of our relations, in our joint assessments that we're having with Pakistan these days, you know, they sent a delegation over here about three weeks ago to participate in our strategic review, and so on, is to reach a common understanding of the groups along the, that border area with Afghanistan as a common threat, a threat both to Pakistan and to Afghanistan.

And that will require a lot of work with, a lot of work with Pakistan and both the intelligence at the policy level. So it's a work in progress; I'd just as soon not talk about the details of it, but it's a – it's one of those issues that we're working hard with Pakistan in order to be on the same page there.

QUESTION: Is that a significant –

QUESTION: Yeah, I –

DIRECTOR BLAIR: Oh, go on, go ahead there.

QUESTION: Is that a significant factor in the Taliban's performance on the battlefield?

DIRECTOR BLAIR: Yeah, it's – is what a significant?

QUESTION: The specific material and intelligence support they get from the ISI.

DIRECTOR BLAIR: I'm not going to answer that. Yup?

QUESTION: I was going to ask you, how important is it to reign in the production of the poppies over in Afghanistan to this – excuse me, Afghanistan in terms of this ability of the country? Can you do that, I mean, can you just avoid that and still have a stable Afghanistan, or do you have to really attack that to reign them in?

DIRECTOR BLAIR: There has to be a component of the policy that takes into account that opium growing, and the production. It's a source of finance for the – it's finance for the Taliban, it's a source of general lack of law and order and criminality that will keep Afghanistan from being a peaceful country, so we've got to do something about it, and –

QUESTION: But does it need to be a priority or does it – or can it be one of the secondary things?

DIRECTOR BLAIR: It has to be a priority, has to be a priority, yeah.

QUESTION: I'd just like to follow-up on Afghanistan. In the past there's been differences in – between the Intelligence Community and the military about the conditions in Afghanistan, same culture in Iraq. How do you assess the current state of affairs in Afghanistan. More specifically, the rubric Taliban has always thrown out, even though there's obviously disparate groups that are fighting underneath it, do you see more cohesion among those groups and do you see any kind of strategy emerging from the insurgent side in the same way that, obviously there's a new U.S. strategy set to march?

DIRECTOR BLAIR: We analyze Afghanistan not even on a province-by-province basis but on a district-by-district basis. You have to get that granular in Afghanistan to understand what's going on. The judgments that I made in the Annual Threat Assessment about the basic law and order situation in Afghanistan deteriorating in recent months were based on that district-by-district analysis, which the military intelligence officers were full participants in.

So we certainly see the situation there, the situation there the same way. I think the – we also see the solution there the same way, which is an integrated civil-military effort that has emphasis both at the local level and also, of course, in Kabul. So I think that – I don't think that there are great differences in the Intelligence Community, military or civilian, about the situation there.

QUESTION: Can you address whether there's more or less – if there's more cohesion among the insurgents or more of an insurgent strategy that you can discern?

DIRECTOR BLAIR: There is a – you know, Big Taliban, Mullah Umar and the gang, who are over in – across the border, do have an overall strategy pointed towards resuming a position of power within Afghanistan, and they are fairly smart, adaptive enemy. Local Taliban, which is a much larger group, has much more local, tactical sorts of strategies. Sir?

QUESTION: Is there any movement underway, if there was going to be, to revise that timeline by which it's estimated that Iran will have the, I guess the capability to build a nuclear bomb? If you – I think if your first threat hearing said something about, maybe they could do it next year or something, and then in your subsequent threat hearing, you said, no, it's the 2010 to 2015 timeframe, and I'm reading here in a French magazine that apparently the State Department INR, which, according to this, this says, well, no, they can't even, won't even have enough, I guess, low-enrichment uranium to begin to build fissile material for a bomb until 2013.

So is there – but on the other hand, I've also heard maybe there's some evidence that they've restarted their military program, which the last NIE that we saw said that they had abandoned some years ago. What kind of movement is going on there, in terms of your assessments beneath the surface, about their uranium program, because this is obviously a really important subject.

DIRECTOR BLAIR: Yeah, the 2007 NIE is still roughly correct. I'd go back to that. Down here, I haven't – anybody – yeah.

QUESTION: You mentioned that you were going to be bringing in some new folk in some of the agencies. Who is going to be your deputy? Has that been decided yet? When do you expect to get one? I know your predecessor had trouble finding someone. And then there – there have

been a couple critics about some of the choices you've made here and there. Obviously, Charles Freeman and lately John Deutch, with some questions from the Hill about his security clearance and whether you should have been having that kind of appointment. So the deputy, and then, what would you say in defense of Deutch?

DIRECTOR BLAIR: Right, the deputy position is not filled yet. It's an extremely important one. There are a lot of candidates and a lot of considerations, so I'm sort of taking my time on that one, and want to get it right. Some of the people from outside that have been announced recently – Priscilla Guthrie is coming in as the Chief information officer. She had the same position in the Department of Defense, so she's – will be – she's very strong and will be coming onboard. We have a number of appointments working their way through the White House personnel process who will be announced fairly soon. So it's probably a handful of new people coming into key slots, and many who are still there.

On the Charles – on the Chas Freeman appointment, I am happy to say that looking around this room, there was pretty responsible reporting on Chas, but apparently you guys aren't bloggers, as – (laughter) – or you guys aren't as powerful bloggers as some that I discovered when I made the announcement. I thought he was a good pick, I still think he's a – still think he would have made a great National Intelligence Council Chairman, but it wasn't to be, and so we're – lesson learned, moving on.

On John Deutch, I knew that basically, Dr. Deutch had had that – those security violations in the past. I also know that he's an extremely qualified and capable official on some tough tactical issues. When I came in, I asked if he had a clearance yet, was told that he did, and so I appointed him to a panel to look at one of our big issues, which is the electro-optical architecture of the future. And he was on that panel, which is winding up this week, and made a good contribution to it. So that's sort of where that one stands.

QUESTION: Admiral, what's your assessment of the situation in Mexico and whether the Mexican government is in danger of becoming a failed state, and what the Intelligence Community is doing with regard to that situation? There was an announcement this week by the Homeland Security Department, Justice Department about a comprehensive plan, but there wasn't any talk about what the Intelligence Community is doing with regard to that, and so are you all doing anything new with regard to Mexico?

DIRECTOR BLAIR: Mexico is in no danger of becoming a failed state. Repeat that. Mexico is in no danger of becoming a failed state. The violence that we see now is the result of Mexico taking action against the drug cartels. So it is, in fact, the result of positive moves which the Mexican government has taken to break the baneful influence that these cartels have had on many aspects of the Mexican government and Mexican life.

The assistance that the United States is providing does have an intelligence component in terms of assisting the Mexican authorities. They are very much in the lead. It is very much something that is built on their capabilities – not on the United States moving in and pretending that it knows things better. And I think it's something that we ought to do. And the Mexican campaign, and this campaign, is our campaign, too.

Let me go to this end. Sir.

QUESTION: During your confirmation hearing, you mentioned – you were asked a question about cyber security. And one of the things you answered was, the cyber security threat is not as great as some of the threat from nuclear, radiological, chemical attacks. But given what we know about, for instance, Titan Rain, and given what we know about exploitation of DoD networks –

DIRECTOR BLAIR: Yeah.

QUESTION: – have you changed that? Have you taken a new view on cyber security? And let me just follow that up real quick with, if there's a cyber security – presuming there's a cyber security czar, potentially, in the White House.

DIRECTOR BLAIR: Right.

QUESTION: How do you see that working?

DIRECTOR BLAIR: On the first question, there's a little bit of context to that answer that you cited. It was in reference to whether the terrorists are using cyber security as a weapon. And my answer was that there's – from what we know about Muslim-extremist organizations that use terrorist tactics, they are looking for things that make a more visible bang, and kill and maim, than cyber. So I was worried about more of these other kinds of attacks that these groups might make, rather than a cyber attack.

The cyber threat comes primarily from – the greatest cyber threat is primarily from organized nation states. China has the greatest capability, and having a lot of activity; Russia, as well. Russia demonstrated in Georgia most recently, and against Baltic states. China is, I think, winning the sweepstakes for the origin of the most attacks on U.S. organizations. I think it's actually second, after attacks originating in the United States, but it's up there in terms of foreign countries.

So cyber security is big. I don't think the United States is at risk of having done to it, right now, what was done to Georgia or Latvia. We're too big; we're too complex; we are working on the defenses. But as you look out to the future, unless we work hard on this, we could be very vulnerable. So it's a very high priority for me. And I give full credit to my predecessor, and to the predecessor administration, for the actions that they undertook.

Czars – you know, czars. We've had a lot of experience – (chuckles) – about them over the future, and we're reinventing as we go. The advantages and disadvantages of putting powerful people in the White House, versus putting powerful people in the agencies and departments.

I think that we've got to have a powerful team; we've got to have good policy from the White House; we've got to have capacity in the departments. And, most of all, I think we need to have a legal regime which takes account of the way the technology of cyberspace has made our

previous neat domestic-international law-enforcement homeland-defense distinctions irrelevant. And that's what the real challenges is, and that's what we're working on in this review that is going on in the White House now.

Over here – let's see. Sir.

QUESTION: Short of any kind of kinetic or air attack, are there things the U.S. is doing right now that would affect the time line that Iran has for various stages of nuclear capability? Some of this has been reported on by David Sanger, and other journalists – in terms of destruction and sabotage?

DIRECTOR BLAIR: I think the important thing that we're doing with Iran is trying to figure out the overall relationship, and to try to work for a future in which Iran sees that it can have its security without nuclear weapons. And that it can advance both its economic prospects and its own view of where it is in the region, and in the world, without the use of the backing of extremist groups and possessing nuclear weapons. And it's a broad-based approach, which we just have to work on across the way.

QUESTION: Can you saying anything about these efforts have been recorded?

DIRECTOR BLAIR: No.

QUESTION: On Pakistan –

DIRECTOR BLAIR: Yeah.

QUESTION: – what's your assessment of the fragility of the current government there? And, also, do you see evidence that militant activity in Pakistan has been disrupted?

DIRECTOR BLAIR: I'm sorry. Say the second one again?

QUESTION: Militant activity. The U.S. would obviously like to see it disrupted. Do you see evidence that it is being disrupted in Pakistan?

DIRECTOR BLAIR: Now, that would make a heck of a headline, wouldn't it? "Director of National Intelligence calls Pakistan fragile." I mean, I'm not going there. It's no secret that Pakistan is dealing with enormous problems. As a society and externally, it is maturing in terms of its policy. But there are serious people in Pakistan who are working on it, and we need to support them.

Yes, Pakistan has taken actions against terrorists. I'd say the action against the Mumbai attackers is pretty unprecedented and exemplary: arresting some of the leaders of the Lashkar-e-Taiba organization; cooperating with the United States, and with India, in trying to bring the perpetrators to justice. So I think there are good signs that Pakistan wants to take control of its country – have a stable government, that reflects the aspirations of the people – and that's what we need to work with them on.

Down at the end – sir.

QUESTION: Keying off of my colleagues very interesting story in the Times today about ISI involvement, I understand you didn't want to get too deep into that, in terms of the lethality of how it affects things –

DIRECTOR BLAIR: Right.

QUESTION: – in Afghanistan. I understand that you just said there are allies in the Pakistan government who do great things for us. However, how do you deal with, personally do business, with people in that government, when you know that there are operatives, either current or retired from that government, who are helping – providing a lot of time, money and resources to helping the Taliban or al Qaeda kill American soldiers in Afghanistan? How do you personally stomach that, when you know that's going on?

DIRECTOR BLAIR: What you do is work to protect your own people, and to convince those that you need to work with, that you have common interests there – and you need to work together on them. So it's a combination of what you do with sticks, what you do with carrots and what you do in terms of helping people.

So the guideline is: What's in the American interest? And Pakistan is an area in which we've got – it's complex, it's got a history – and we need to turn it so that we see things the same way. And it really – every American soldier that's killed is an American soldier too many, and we need to work to make sure that number is minimized.

QUESTION: Just a question. Where are you on the review of interrogation policies, practices? I wonder if you could tell us what the status of that would be. But, also, whether you've formed a personal opinion, based on what you've seen so far about whether these techniques were effective – and whether you would agree with the Red Cross assessment, that they actually constitute torture.

And, also, to follow up on that, I wonder if you agree with Mike Hayden, and others, who've argued that releasing OLC memos might be damaging to security.

DIRECTOR BLAIR: I haven't formed a judgment on the release yet, as we discussed in the answer to [a previous] question. We're looking at those a person at a time. On the question of interrogations, I think my attitude is pretty clear, from the announcement we've made, that the United States will not use those techniques in the future.

We are reviewing the Army Field Manual. As it is, we are looking at the [Enhanced Interrogation Techniques] that were used by the CIA in the past. But we will scrupulously adhere to the Geneva Convention Common Article to the things that Americans expect of us, and will not do the sorts of things in the future that were done in the past.

That being said, I think we do have to understand a couple of things about that. Number one, those decisions that were taken back in 2002 and 2003 were in a different atmosphere from where we are today: you know, coming up on eight years after 9/11; no more attacks; a much greater understanding of what these groups are. When you think back to what we all didn't know in 2002 about – after the horrifying attacks on the World Trade Center and the Pentagon – the lack of knowledge of what else might be out there – I find myself not being very easily to say: Oh, those people were stupid and heartless.

I also think it's important to, in the materials that I've reviewed, to know that those who were carrying out the interrogations by the CIA were doing so under very careful guidance – to make sure that what they were doing was known, legal and supervised. So I think that anyone – any individual in the CIA who was doing that action was asking questions about it; was properly supervised; and was following the rules at the time – should not be punished; or humiliated; or action taken against them. Those who overstepped the guidance at the time, of course, should be held accountable – and some have been.

So, in evaluating this, we're not going to do it when – we're not going to use those techniques going forward. We feel we can keep the country safe with them. But as far as looking at the past goes, we think that those who carried out the job, after making sure that it was legal and authorized, should not be dealt with the responsibility.

QUESTION: Can I ask a follow-up on that?

DIRECTOR BLAIR: Sure.

QUESTION: When you say that we're not going to use those techniques going forward, are you saying you don't see any need to go beyond anything that's already outlined in the Army Field Manual?

DIRECTOR BLAIR: We're not going to use waterboarding, which is the most extreme – that's for sure. We are looking at some of the other techniques, to see if there are those which are not torture – or do not violate any of the things that we think are important, that would be effective of our complying with our international conventions. And then we'll – and we think there ought to be one standard that's held across the government, whether it be the armed forces or Intelligence Community, in interrogations.

Also, I think we're looking – the other thing is, we're looking at the – it seems to me that those who do these sorts of interrogations – are the most important detainees – that we have should be government employees, they shouldn't be contractors. They should be highly trained, very supervised and operating according to those rules. And so that's the sort of a look we're taking at that, and it's underway right now.

QUESTION: Back to Afghanistan, please.

DIRECTOR BLAIR: Yeah.

QUESTION: What is the current assessment on the percentage of Taliban and associated militants who may be considered reconcilable? Are most of those the locals you talked about? And is anybody associated with Omar, Hakani, Hekmatyar ruled out as a possible weapon czar?

DIRECTOR BLAIR: I think, as a rough rule of thumb, probably two-thirds to three-quarters of the Taliban are mostly local, and of a local focus. I'd say probably one-third of the Taliban are in this central group around Mullah Omar, which has a more – which has a larger agenda. I'm not sure that you can exactly break the possibility of settling for something less than complete control of either their valley or the entire country with those percentages.

But I do think that the local Taliban are probably more motivated by the – or can be defeated if the government, with international assistance, can provide the basics of a good life in that particular valley or district: decent education; water; justice; minimum corruption – those sorts of things. It seems to me that that's how you deal with it on a local basis.

Mullah Omar is certainly a tough case, and thinks he ought to be running Afghanistan, himself, and doesn't show many signs of settling for anything less.

QUESTION: Do you or does the Intelligence Community, have a recommendation, in terms of the new Afghan strategy on a percentage that could actually be reconciled? Is it that two-thirds or three-quarters that you're talking about?

DIRECTOR BLAIR: We're laying out the landscape, but deciding to what extent – trying to peel off less-extreme Taliban leaders from the pretty intransigent pack is something that we'll have to work on. And we just have to see how that goes. I'm not sure that we can make a call on that yet.

QUESTION: Let me ask the most basic question about Afghanistan. I had a reporter out with an element of the 10th Mountain, and one unit was working its way up one of these river valleys. The second one was taking an over watch position. And they were looking at a string of villages. None of those villages were on their map. One of the lieutenants said to the other guy: What are these villages? The lieutenant looked back and said, well, sir, they don't exist. The unit working its way up the valley had no idea which Taliban were where – who the local leader was. In light of that – and it's not the first time I've heard that story – are you confident that we know as much about Afghanistan as we need to know to develop the kind of sophisticated regional/national strategy that you mentioned earlier, or are there big gaps in our understanding?

DIRECTOR BLAIR: If you look at what we know about Iraq compared to what we know about Afghanistan, we know a heck of a lot more about Iraq on a very granular basis than we do about Afghanistan. No matter what strategy the President chooses for Afghanistan and Afghanistan/Pakistan, we need to ramp up a level of intelligence support in Afghanistan, and that will be a lot more than just making sure the villages are on the maps. It will be a granular understanding of local power structures, individuals, which – and we – I spoke earlier about the level of support to military operations in Iraq. To be successful in Afghanistan, I think we need that level of military support and of civilian support to provincial reconstruction teams or

whatever other form is up there, and do it with our international partners. So I very much see a very robust intelligence support operations there, and it's got to be better than it is now.

Yeah.

QUESTION: I wonder what your – the Intelligence Community's criteria for success is in terms of Mexico. We've waged a drug war for decades. What are we looking to accomplish? To get bloodletting down, to decrease the flow of drugs? Secretary Clinton said yesterday that Americans are funding these cartels. What can we expect in terms of outcomes? And then really quickly, you know, any personal stories about dealing with the President now that you're briefing him, and so forth?

DIRECTOR BLAIR: I think that in Mexico, our goals are President Calderon's goals, and as the Mexican officials I've talked to have explained it to me, success is breaking the influence of the drug cartels are able to exert on the policing and judicial systems in the – in the country, and that that is the – as much the center of gravity as it is a particular drug cartel. Once they have done that, then it will no longer be necessary for the Army to be, for example, the primary law enforcement arm in Mexico. It ought to be the police. There ought to be a judiciary system that can be used to – for the police to prosecute criminals. So I think the objectives there are primarily political in terms of the integrity of Mexican institutions. At least that's how the Mexican officials explained it to me, and I think we should share that goal.

Interacting with the President is a pleasure. He thinks at a strategic intelligent level and I think leads the national security team very well.

QUESTION: Anything that he's particularly curious about?

DIRECTOR BLAIR: I don't tell stories about the President. Somebody else will have to do that. Yeah.

QUESTION: Back to Afghanistan/Pakistan, you made brief reference earlier to Mullah Omar being across the border in Pakistan. There have been reports for years that Mullah Omar, and much of the leadership in fact of the Taliban have been in Pakistan – quite an area in Baluchistan.

DIRECTOR BLAIR: Right.

QUESTION: But recently there was a meeting of a Shura, a senior Taliban in that area – more than 500 people. Is it credible to you that these leadership cells can be operating on the Pakistani side of the border and not be known to elements inside the Pakistani military/ISI? Do you think the elements inside the military know where these people are and can find them?

DIRECTOR BLAIR: It's a complicated – it's a complicated picture, and I think that Pakistan is adjusting to, as we discussed earlier, is adjusting both its strategy and its knowledge. So are we. And I expect our understanding to increase as time goes by. And getting back to the question

here, that will make our effectiveness increase as time goes by. So it's a progress – it's a process and I think the – I think the intelligence understanding is going in the right direction.

Yeah.

QUESTION: You said just a few minutes ago the nature of the striking comparison about knowledge of what's going on in Afghanistan versus knowledge of Iraq. The administration is going to roll out a big strategy probably tomorrow in Afghanistan, and I'm wondering, did you feel that you were somewhat flying blind in the sense that you just don't know enough to do it? I mean, obviously there's going to be a strategy, but do you feel confident that the strategy is based on quality intelligence about the actual situation in Afghanistan?

DIRECTOR BLAIR: I think in the discussions that have been leading up to the – and the liberations that have been leading up to the policy, I think we provided a good picture, and it's well-understood by those who are making the policy on the situation in Pakistan and in Afghanistan. But when you turn to operations, I think the tactical intelligence that supports the operations both on the civilian and military side needs to be – needs to be ramped up. So it's that distinction between a overall understanding of the situation, which is I think very accurate, and the finer-grained higher-volume intelligence you need to do something about it that needs to be ramped up.

Let me see – folks I haven't talked with.

QUESTION: May I just follow up on that for a moment? To what extent has the effort in Iraq robbed Afghanistan of the resources it needs to develop that sort of granular intelligence?

DIRECTOR BLAIR: I think that – I think that the sort of granular intelligence that we've understood how to develop and – I'd look at the other way, that in Iraq, we now can somewhat shift as the forces come down in Iraq, and generate separately in Afghanistan. So I'd say it's been a case – it's been a case of Iraq being the higher priority and the learning ground, and we can take that priority with addition – those lessons with additional priority and resources and replicate that understanding in Afghanistan.

Okay, anybody who haven't called on at all or should we – down here.

QUESTION: Just following up on [a previous question].

DIRECTOR BLAIR: Yeah.

QUESTION: You said at the hearing that Pakistan looks, has like a ranking system – I guess they're threats among the insurgent groups within Pakistan. How long do you think it's going to take for them to weigh all of these groups equally before we can see progress on the Afghanistan/Pakistan border because they seem like that's going to take – that's going to be a major component of the review for them to weigh all of those groups equally so you can have action on both sides of the border.

DIRECTOR BLAIR: Yeah. I think as I said in my testimony, Pakistan is in transition on this question as it is on many others. And I think the speed that – the speed that they develop that focus is dependent partly on their internal dynamics and the internal politics in Pakistan, and to a large extent on the engagement of the United States with Pakistan, and the – as you’ve just seen in the time that this administration has been in, that that engagement with Pakistan and with other countries about Pakistan has ramped up remarkably and is accelerating. So I think it’s going to happen fairly quickly, weeks and months, not years and decades.

Yeah.

QUESTION: Could I just go back to cyber security. You mention the nation state threat. I’m wondering how advanced is the Intelligence Community in terms of being able to attribute an attack or threat to a government versus just a group of actors. You brought up some of the incidents with Russia. There was some back and forth in terms of who was actually responsible. So just maybe go back to that and clarify about whether we’re talking about government or threats coming from groups within nation states?

DIRECTOR BLAIR: We right now are unable to do that as fast as we ought to be able to. It takes a lot work. It takes a lot of manpower and intensive effort to sort that out because of the ability of the attack originators to go through multiple IP’s and ISP’s along the way. And we’re working hard on being able to do that quicker and more accurately. So it’s a high priority, and we’re not where we want to be yet.

Anybody who hasn’t had a chance for the first question? Oh, yeah.

QUESTION: Just back on Mexico, Secretary Napolitano acknowledged that historically and to this day, corruption is so rampant, it’s very hard to be sharing intelligence. How effective can you be in helping them, which people seem to acknowledge they need the help if they’re going to, like, break these cartels?

DIRECTOR BLAIR: It’s a – it’s partly a technical matter, techniques of vetting, techniques of isolation between intelligence and operations. It’s partly a case of working with other services over a while so you learn who’s who and who you can trust. It’s something that has been done before with when we’re dealing with other drug threats that have a lot of money and are dug in, in local areas, places like Colombia, Thailand. So there are ways to do it, and we’re just going to have to use those techniques and learn new ones with the Mexicans. But it’s something that can be done.

Okay, back to you. Any questions I can answer?

(Laughter.)

QUESTION: I’ll let you be the judge of that.

DIRECTOR BLAIR: Okay.

QUESTION: North Korea again, in the wake of Kim Jong-Il having a reported stroke last year, there other reports that the North Korean military is now being fed less rice than it was before, and a sense that there's a lot more hunger within the military. Can you give us an assessment of what is the state – the Korean state at the moment in terms of the people, the country, stability, and have you seen any signs that the military is looking at a coup or some kind of a change of regime given that Kim Jong-Il has obviously been weakened a little bit?

DIRECTOR BLAIR: I think when the – when that regime finally cracks and the books are read about – the books are written about North Korea, it's going to be one of the saddest episodes in human history in recent times. This regime uses whatever food and things it has to take care of those closest to the throne who can support it and will allow the provinces and the dissidents just to starve. The statistics on the – on the stunted growth, physical and mental, the overall population in Korea are just awful, unspeakable.

So I think that whatever amount of food the North Korean government has, it will feed the family, feed the army in Pyongyang, people on which it develops, and will let the rest – let the rest go. So it's – I don't think the lack of food is a threat to that regime.

The authoritarian techniques of the Kim dynasty are pretty effective in terms of using both rewards and fear to maintain personal control. And it's developed a group of those with the power who are sort of dependent upon each other. And when we saw – and as we looked at how the North Korean government functioned when Kim Jong-Il had had his stroke and was recovering from it, the playbook was pretty well carried out by the team that was there.

So I think it is – I think it is a situation in which in the near term at least, we can't expect some powerful alternative to Kim Jong-Il to be taking power from him, and we have to count on confronting this pretty tight, unified, powerful group around him.

Yeah.

QUESTION: Your predecessor, your immediate predecessor, used to talk a little bit about how he had to get up at about 3:00 or 4:00 in the morning every morning. He had to prepare the briefing for the President. He spent a real lot of time doing that and that obviously cut into his time and energy anyway in order to manage the community.

Are you briefing the President literally every day? How do you share that with Mr. Panetta? Have you farmed out a little bit of that work so you seem him on a less-than-daily schedule so you can do more management? How do you divide? How do you manage your own time as, on the one hand, the national intelligence coordinator, and on the other hand the President's chief intelligence advisor.

DIRECTOR BLAIR: Right. In the role of the President's chief intelligence officer, I see my job as making sure that out of this almost 100,000 people and \$45 billion that we spend, we get the absolute best intelligence to the President. And I would say in many cases, I'm not the best expert to deliver that to him. So I assume my job as supervising the overall flow of information

to the President. Some of it he should and wants to get from me directly. Some of it, it's better if he gets from somebody who's been working on that problem for 20 years.

The other thing that I'm trying to do is to see that intelligence that we provide to the President is linked to the policies to deal with what we present, whether it be a threat or an opportunity. It doesn't do much good if I play I've got a secret from the Secretary of Defense or the Secretary of State, and present some intelligence to the President that I haven't given to the people whose job it is to do something about it.

So another thing I'm working on very carefully is ensuring that the intelligence that we provide to the President we have presented to the policy-makers who will answer the questions when he looks at it and says, hmm, what are we doing about that. And mechanically that means maybe delaying some articles by a day or two so that we give a heads up to the policy-makers that this is something that we think from our responsibilities is a warning, and informing the President we think you ought to know, but you ought to know that first so we can – so we can turn it.

So it's that sort of a – it's that sort of an approach. So as opposed to my predecessors, I have sort of the – I try to put myself in the President's shoes and make the intelligence useful to him in that way, informed by my experiences being someone who has been in command and been informed by intelligence, but mainly concentrating on doing it. So that's kind of the approach I'm taking. And it's – I'm getting my eight hours. I'm doing okay.

WENDY MORIGI: Director, you actually only have time for one more question.

DIRECTOR BLAIR: Good heavens. Just like –

WENDY MORIGI: – that you're having fun.

DIRECTOR BLAIR: – my first eight weeks on the job.

QUESTION: Quick lightning round then – closing the loop on NSA and cyber. You talked about needing perhaps some additional authorities. What is it that you're looking for to give NSA or some other agency, and how will you see that come from your office? And in your Economic Daily Briefing, say, today, what's the global trend? When do things start to turn around or is the current trend right now continuing down?

DIRECTOR BLAIR: On cyber security, as I walked in – and I had some experience with it before – the taxpayers of this country have spent enormous sums developing a world-class capability at the National Security Agency on cyber, and yet our problems in cyber security are much greater than the Intelligence Community, the military community, or even the government. And I think the trick is to make use of the technical capabilities of the National Security Agency in a way that can protect American networks. And the key to that is American's having confidence that they are being used for those beneficial purposes and are not being used to gather private information on Americans and a whole set of concerns that some of the early reactions to 9/11 excited.

So that's sort of the – that's sort of I think is the challenge, and it's a legal challenge, it's an organizational challenge, it's a challenge of the review processes that everybody needs to – that everybody needs to have. So I think that's what we need to – that's what we need to work on.

The second part of your question was what?

QUESTION: Economic Daily Briefing. What's the trend, say, today?

DIRECTOR BLAIR: Yeah, yeah. It hadn't turned around yet, so let me just leave it there.

Thank you very much.

(END)