

**Interview of Mr. Mike McConnell
Director of National Intelligence**

With Chris Wallace – Fox News Sunday

**February 17, 2008
Transcript – As Aired**

MR. CHRIS WALLACE (FOX NEWS SUNDAY): A law which gives President Bush powers to monitor communications among terrorism suspects expired at midnight. The question now is whether this has exposed the country to new threats.

And here in a Sunday exclusive to help answer that is the Director of National Intelligence, Mike McConnell.

Director, welcome to "FOX News Sunday."

DIRECTOR MIKE McCONNELL: Thank you, Chris. Delighted to be here.

MR. MR. WALLACE: As we said, the law lapsed at midnight. And without giving away any secrets, is there anything that you can't do today in monitoring terrorist communications that you could do yesterday?

DIRECTOR McCONNELL: Well, Chris, when the law was passed — updated last August, part of the provisions that were authorizations that were put into place August, September and so on, would extend for a year. However, that is something that you already know about, something that you have planned for.

If something new comes along, we have to have a directive for a new private sector company now that's in question, so it introduces a level of uncertainty that is going to be very difficult for us.

Let me make one other point just — very important. The entire issue here is liability protection for the carriers. And so the old law and extended law are an expired law if we don't have retroactive liability protection for the carriers. They are less inclined to help us, and so their support...

MR. WALLACE: When you say carriers — let me just interrupt — these are the telecommunications companies that you get some...

DIRECTOR McCONNELL: Private sector.

MR. WALLACE: ... data from.

DIRECTOR McCONNELL: That's correct.

MR. WALLACE: I want to get into all of those in a moment, but let me ask you a specific question, because as you know, there's kind of a general issue here.

The President, in a clip we played at the top, said that the country is now more in danger of attack. Here's what leading Democrats are saying, and let's put it up.

House Majority Leader Steny Hoyer says, "The President's comments are wrong, divisive and nothing but fear-mongering." Senator Ted Kennedy says, "The DNI's," that's you, "The DNI's latest comments show yet again the shamelessness of the administration's tactics."

Question: Is the White House making the situation sound worse than it really is?

DIRECTOR McCONNELL: Chris, President Bush is repeating advice that I'm giving him. As you know, I am not a political figure. I am a professional. I've been doing this for 40 years.

And our situation now, when the terrorist threat is increasing because they've achieved — Al Qaeda's achieved de facto safe haven in the border area of Pakistan and Afghanistan — the threat is going up.

And therefore, we do not have the agility and the speed that we had before to be able to move and try to capture their communications to thwart their planning.

MR. WALLACE: Well, let me ask you about that. We'll get to the telecoms in a moment. Let me ask you first, though, as you pointed out at the beginning, under the law that was passed in August, you had the ability, and you exercised that, to issue orders that allowed you to monitor terrorism suspects — communications involving alleged terrorist groups.

The law has expired as of midnight. But those orders to monitor are valid for a year, so they stay on the books and allow you to monitor them till at least August.

And the argument the Democrats make is that if there's somebody new that springs up, some new group that you haven't already covered, that you can go after them over old existing law. So they argue you haven't lost any operational capability.

DIRECTOR McCONNELL: Chris, last summer we were in extremis, because we had lost under the old law about two-thirds of our capability.

The issue is it's very dynamic, and the FISA court had ruled...

MR. WALLACE: When you say dynamic, you mean that new groups are springing up, new possible targets?

DIRECTOR McCONNELL: New information, new personalities, new methods of communicating.

So when the program was returned to the FISA court in January of '07, initially we had coverage that we had asked for, but over time, because technology had changed and the law of '78 — it had not been changed, because technology had gone from a wireless world to a wired world.

Foreigners communicating in a foreign country — more than likely the communications would pass through the United States. Therefore, the court said if it touches a wire, consistent with the law, you have to have a warrant.

Now, a warrant means probable cause, which is a very time-consuming process to go through. So we were in that situation last summer. We passed the new act to make it — improve our situation. That act has now expired.

MR. WALLACE: Isn't the central issue here that you've lost your power to compel telecommunications companies to cooperate with you and also your ability to offer them legal immunity?

Again, the Democrats would say, "Look, if the cooperation is legal, they don't need legal immunity."

DIRECTOR McCONNELL: Exactly right. The issue now is there's uncertainty because the law has expired and the law of August, the Protect America Act, allowed us to compel — compel — support from a private carrier. That's now expired.

So we can make an argument to a court but, you see, that makes my point. If I'm in court arguing for an authorization, then I'm missing a dynamic situation.

MR. WALLACE: So just to summarize this, how — would you say that the country is in great — greater danger now of terrorist attack because this law has expired?

DIRECTOR McCONNELL: Increased danger, and it will increase more and more as time goes on. And the key is the — if you think about the private sector global communications, many people think the government operates that.

Ninety-eight percent of it is owned and operated by the private sector. We cannot do this mission without help and support from the private sector. And the private sector, although willingly helped us in the past, are now saying, "You can't protect me. Why should I help you?"

Chris, could I just read something I think is very important for the American people to know? This issue of liability protection — what I'm going to quote from is the Senate report when they debated the Senate bill for improving this law, if I could.

This is with regard to private sector immunity. "Indeed, the Intelligence Community cannot obtain the intelligence it needs without the assistance of these companies. Given the scope of the civil damage suits and the current spotlight associated with providing any assistance to the Intelligence Community, the community was concerned without retroactive immunity the private sector might be unwilling to cooperate with a lawful request from the government in the future

without unnecessary court involvement and protracted litigation."

That's the issue. We go back into protracted litigation and debate, as opposed to being dynamic.

MR. WALLACE: Director McConnell, you don't appear on Sunday shows often, so I'd like to take this opportunity to ask you about some of the threats that you do face around the world.

First, the assassination of terrorist Imad Mughniyeh this week — did the U.S. have anything to do with that?

DIRECTOR McCONNELL: No, Chris. I'm aware of the circumstances around it, and we are now — interestingly, from the kinds of capabilities we're talking about, we can see how various parties are commenting and so on.

And the big question, of course — Hezbollah has blamed Israel. But there's some evidence that it may have been internal Hezbollah. It may have been Syria. We don't know yet, and we're trying to sort that out.

MR. WALLACE: You talk about Hezbollah, which is promising to avenge Mugniyeh's assassination.

DIRECTOR McCONNELL: That's correct.

MR. WALLACE: How seriously do you take that threat? And do you see it primarily as a threat against Israel or the U.S. as well?

DIRECTOR McCONNELL: It is a serious threat, and it's primarily against Israel. But let's just — let me just mention about Mugniyeh, the person we're talking about — responsible for more deaths of Americans and Israelis than any other terrorist. with the exception of Usama bin Laden.

There was a warrant for his arrest here in this country for a murder of a U.S. citizen. So this man over time had lots of enemies. Remember, he's a Shia, and oftentimes his targets could be Sunni as well as against Israel and so on.

So they blamed Israel. The threat is higher to Israel. We also are watching. And we watched through the means that we're talking about, the FISA legislation, to protect our country.

MR. WALLACE: You told Congress recently that Al Qaeda is gaining strength in its safe haven in Pakistan. You also said that they're improving their ability to recruit westerners who may have an easier time blending into the United States.

Question: Do you believe that there are Al Qaeda cells or operatives currently in this country?

DIRECTOR McCONNELL: We have not located an Al Qaeda cell inside the United States that is directly associated with Al Qaeda.

There are other groups that we watch closely, but the attempt on the part of Al Qaeda — they have safe haven. They have leadership. They have the middle-grade trainers. And they're recruiting.

They have been successful in recruiting any number, and they've trained them in Pakistan and then sent them back to their home country.

Often, they will try to recruit in a country that does not require a visa to get inside the United States. So you can see these are very sophisticated people, and they're looking for any means to come back into the United States.

Casualties greater than 9/11 — that's their objective.

MR. WALLACE: Do you believe Al Qaeda is more of a threat now than any time since 9/11?

DIRECTOR McCONNELL: No. Following 9/11, Al Qaeda's leadership and operatives were degraded probably two-thirds or three-quarters.

Now, this period of time since about the fall of 2006 — and they established a safe haven and started to recruit and train — they've come back. But they're nowhere near where they were, their capability, in 2001. But they are there. They are viable. And they are recruiting and training.

MR. WALLACE: Speaking of Pakistan, which is where Al Qaeda has its safe haven, how confident are you that Monday's parliamentary elections in that country will produce, one, a stable democratic government that, two, can stand up to Islamic radicals?

DIRECTOR McCONNELL: Well, that's the objective, Chris. The whole effort in our work with Pakistan, negotiations back and forth, is to see these elections be fair and free, hopefully to return them and put them on the path to democracy.

The army is deployed to ensure that we don't have events like the horrendous suicide bombings of the last few days.

MR. WALLACE: Finally, you have dialed back on the recent National Intelligence Estimate that reported that Iran gave up its nuclear weapons program in 2003.

In fact, you said you wish you had the opportunity to redo the public presentation. Do you feel that the NIE understated the threat from Iran?

DIRECTOR McCONNELL: No. Chris, if the words in the NIE were correct, what I think we probably didn't do an adequate job on is reflecting — there are three parts to a nuclear program.

You have to have fissile material. You have to have a means to deliver a weapon. And you have to have the technical — to design a weapon.

The only thing that they terminated in 2003 was the design feature of the weapon. They're still

pursuing fissile material. They're still pursuing missiles for delivery.

As it turns out, though, the hardest part is fissile material. The easiest part is weapons design. So when I testified on the Hill recently, the attempt was to put it in context.

MR. WALLACE: So are you saying that Iran and its uranium enrichment program and what that could lead to is as much of a threat as it ever was?

DIRECTOR McCONNELL: I am saying that. And I believe that the path they were on to achieve nuclear weapons has not been significantly changed because they terminated this technical design feature.

They can turn it on. Remember, it was secret. They've never admitted it. They could have turned it back on now and we wouldn't necessarily know. We'll try to know, but we're not 100 percent sure of that.

MR. WALLACE: And the time frame for them to get the ability to make a nuclear bomb?

DIRECTOR McCONNELL: We've done an estimate in 2001, 2005 and 2007, and each time it says the same thing. They could do it by 2009 — unlikely. The range is 2010 to 2015. And the best guess is about the middle range there for having a nuclear weapon.

MR. WALLACE: Director McConnell, we want to thank you so much for coming in today and talking with us, sir.

DIRECTOR McCONNELL: Thank you.

(END)