



**Remarks by the Director of National Intelligence  
Mr. Dennis C. Blair**

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**AS PREPARED FOR DELIVERY**

Some of you may have heard of the new book just out, the sequel to *Freakonomics*. It's called *Superfreakonomics: Global Cooling, Patriotic Prostitutes and Why Suicide Bombers Should Buy Life Insurance*.

One chapter talks about mathematicians working with the Intelligence Community, and coming up with algorithms to sift through databases and find terrorists. While I can't confirm or deny that's happening, I note that if you search the word "Algorithm," you can almost find the words: "Al Gore."

It's an honor to follow the former Vice President. Thank you all for sticking around after the main event.

And thank you very much for that kind introduction, Tony. It truly is a pleasure to be here at this important conference. My compliments to all involved. Your presence and participation show you really want to get the job done for the country. It shows that you want to come up with real solutions to critical security issues facing our world. And maybe it shows that you hoped there was going to be a big party here for the end of the World Series. I certainly did. So close.

But it's always nice to be in Philadelphia, home of Rocky Balboa and the Phillies. It seems that Philly II just did not have as happy an ending as Philly I. I'll wait for Philly III to come out next year.

Baseball can be a very tough sport. It's been said it's a game where a curve is an optical illusion, a screwball is a pitch, you can spit anywhere – except at an umpire, or on the ball – and stealing is perfectly legal.

Which brings us right to my job – stealing – and in my case, keeping the bad guys from stealing our secrets.

But of course Intelligence is much more than that, so I really do appreciate this opportunity to speak with you. One of my goals as the Director of National Intelligence is to remove some of the mystery from the U.S. Intelligence Community.

Yes, we have intelligence officers with the skills of Jason Bourne, but we also have many more types. It's a vast career field, requiring many different high-level specialties. And we all operate according to laws passed by our elected representatives. When we're following a foreign threat to the U.S. back into this country, we seek permission from a court, or we pass information to the FBI, who act under their legal authorities.

Intelligence officers deploy overseas where things are very dangerous. Two months ago, we had four officers from the Defense Intelligence Agency seriously injured at a checkpoint in Kabul when an IED in a suicide vehicle blew up.

I'd love it if America knew more about us, so that our people were held in the same high regard as those other American icons – members of the armed forces, police officers and other law enforcement officials, firefighters and other first responders. Intelligence officers rank right up there with those heroes, in my book.

And speaking of the armed forces, on behalf of the entire Intelligence Community, our hearts go out to family, friends and colleagues of all those killed or wounded yesterday at Fort Hood. Truly a national tragedy.

My job is only a few years old, so I think it's worth starting by telling you how I see my role.

First, I'm the principal advisor on intelligence matters to the President and Congress.

There's the President's daily morning intelligence brief. We keep him up to date and warned of possible threats – and also apprised of strategic opportunities. I serve as the top intelligence advisor on the National Security Council.

And I also meet regularly with the Congress. They provide our budget and the critical oversight for our community.

My second role is to serve as the head of the Intelligence Community, which comprises 16 organizations ranging from the big guys – the CIA, FBI, DIA, NSA, NRO and NGA – a veritable alphabet soup of 3 letter intelligence acronyms – to the intelligence parts of the armed forces, to the intelligence bureaus across the Departments of State, Treasury, Justice, Energy, and Homeland Security.

My responsibility is to set the priorities, align the incentives, ensure compliance, and provide leadership on the intelligence issues that cut across all those organizations. And the really important issues do.

My third role is to manage the National Intelligence Program – the budget. It's critical to get the right balance, so that all 16 agencies can play their proper roles in focusing on the priorities that cut

across all the individual organizations. We spent about 50 billion dollars last year, focusing on these cross-cutting priorities to help keep the nation safe.

Underlining these three separate roles is my responsibility to make sure the Intelligence Community is coordinated and integrated – that we connect the proverbial dots everywhere, so there’s not another 9-11. And that we carry out our responsibilities in full compliance with the law.

In 1989, with the fall of the Berlin Wall, the nature of threats against us became a lot less clear cut, and much more complex. And then in September 2001, everything changed again.

The challenge for today’s Intelligence Community is: now we need to worry not only about the old standards of nuclear missiles, insurgencies, and spies from other nations, but other global threats. And powerful, dangerous organizations that are not nations, such as al-Qa’ida and its sympathizers, and international drug cartels.

We’re also working to understand trends that will affect American interests over a longer timeframe – economic and environmental issues that didn’t receive much attention from U.S. intelligence during the Cold War.

That means recognizing what a powerful impact that shortages of natural resources, pandemic disease, and climate issues have on social and economic stability around the world.

Besides the iconic image of the spy who procures secrets from the Kremlin and sneaks them back to the Pentagon, since 1973 we’ve had brilliant National Intelligence Officers who look at long-term global trends – often using a lot of unclassified reporting – and write clearly prescient reports.

It’s been said that “Trying to predict the future is like trying to drive down a country road at night with no lights, while looking out the back window.” But that’s exactly what we have to do in the U.S. Intelligence Community.

Let’s look at climate change first.

And allow me to run by you three quick ideas about how to prevent climate change that we first considered, but later threw out.

#3 was to cut CO2 emissions in half, by mandating only CO1 emissions.

#2 was to get the science fair kids to stop making volcanoes and start making snow and glaciers and stuff.

And the #1 idea we received on how to prevent climate change? Convert to Celsius. That would make Miami 25 degrees, Los Angeles 27 degrees, and Death Valley, California only 30 degrees. Problem solved.

OK, turns out those were actually recommendations from a rogue organization called TopFive.com. They’ve been appropriately filed.

In all seriousness, let's look at some fairly recent projections by the Intelligence Community. These really did come from our deep-thinkers and coffee drinkers at the National Intelligence Council – the NIC for short.

In a National Intelligence Assessment last year, they made several predictions about the national security ramifications of global climate change through the year 2030.

A quick note about the “tradedcraft” used for this study: We in the Intelligence Community aren't the ones in the U.S. government who evaluate the science of climate change. Or what the drivers of it are. Or estimate to what degree it's going to occur.

What we actually do is to play a central role in assessing any potential national security impacts on countries or regions around the world. And the NIC assessed that the implications of climate change for our security are numerous and far-reaching.

I won't go into every one, but let me provide three types of problems we anticipate if predicted climate changes occur:

First, changes in water availability and quality could force migration – first within nations, then potentially between nations.

Second, there could be changes in agriculture productivity, caused by a combination of climate factors – mostly temperature and precipitation. These changes would drive large numbers of people to move, potentially across borders.

Both of those are more likely to occur in the developing world, and the movement of people is in itself not inherently a national security issue – it depends if the movement contributes to social tensions and political instabilities.

And third, there could be significant damage to infrastructure because of extreme weather events. That's also more likely to occur in the developed world, and degrade the economic capacity of the United States or our major economic partners.

These aren't nearly as funny, are they? In fact, they're deadly serious.

Since we completed the assessment, we've also come to realize that climate change could impact global disease patterns, which would affect humans, plants and animals.

Sub-Saharan Africa is probably the most vulnerable region. For all of Africa, climate scientists are projecting higher rainfall anomalies, and more intense and widespread droughts. Climate change could cause agricultural losses of up to 50 percent for rain-fed grain crops in North Africa.

And for legitimate climate mitigation purposes, there are likely to be countries that pursue low-emission nuclear power – maybe even on a widespread basis. However, more nuclear power stations mean more nuclear material and expertise – the ingredients for nuclear weapons programs

for nation-states, and also for terrorists to then turn them into terror weapons. I know everybody involved in our nonproliferation and counterterrorism efforts would be quite unhappy with that dangerous development.

Overall, we judged that climate change alone is very unlikely to trigger the collapse of any nation in the next couple of decades. But it could definitely contribute to conflicts, potentially over access to scarcer water resources.

And whatever your thoughts are on the matter, preparations for the UN Climate Change Conference in Copenhagen next month are indications of how seriously the international community takes these threats about future climate change.

So we in the Intelligence Community have to be part of the growing dialogue on the problems and their implications.

Almost exactly a year ago, the NIC published a more extensive set of long-range projections – just as the global recession got into in full swing. This came in the form of a document that relied heavily on input from the best minds not only in the Intelligence Community, but at universities, think tanks and Non-Governmental Organizations – in the US and around the world. It was called “*Global Trends 2025: A Transformed World.*”

The goal was to provide U.S. policymakers with a view of how world developments could evolve over the next decade and a half. We wanted to identify not only potentially negative developments that might warrant policy action, but also opportunities.

There’s sometimes a positive side, and we need to be able to provide the best information possible to enable wise policies, to take advantage of those opportunities.

Let me share some thoughts from that report, and then I think we should try to evaluate how prescient it may have been, or see if we’re already off the mark just a year later.

First, the international system that we’ve known since the end of World War II is being transformed.

We have some new players – Brazil and India – that now have a seat at the table of global influence. The roles of Russia and China have also changed considerably. And there are new stakes and new rules for everybody.

How are we doing on that projection a year later?

The G-8 has decidedly become the G-20. You notice who just got the 2016 Summer Olympics? Rio de Janeiro. And which movie won the Academy Award for Best Picture in February? *Slumdog Millionaire*, a film about transcending poverty in Mumbai.

We’re also watching up-and-coming nations – Indonesia and Turkey, for example.

The second major projection was that a total breakdown of the current system is unlikely, but the transition to a new global, multipolar system won't always be smooth.

There's also going to be an unprecedented transfer of relative wealth moving from West to East. It's already under way, and it's going to continue in that direction for the foreseeable future.

Let's assess that forecast a year later.

Many emerging market countries such as China, India and Brazil have weathered the global financial recession better than the industrialized democracies – they've actually experienced faster recoveries. Many economists expect that trend to continue. But Russia has lost ground economically. The recession also undercuts efforts to reduce poverty in the world's poorest nations.

The third takeaway from *Global Trends 2025* was that even though things will be rocky for some countries in the short term, there's going to be greater global prosperity in the long term.

Unfortunately, there will still be a wide array of transnational challenges, like energy security, resource scarcities, climate change, proliferation, and terrorism. History suggests that a mix of economic uncertainty, social and religious cleavages, and weak governance is a recipe for instability and conflict. These are powerful destabilizers.

We in the Intelligence Community have a role to play in helping our policymakers understand how such destabilizing forces can threaten national interests.

Technology is a huge unknown when it comes to energy security, and has the potential to be a game changer. Breakthroughs in solar technology, energy storage, non-food based biofuels, and new discoveries of oil and natural gas – enabled by new extraction technologies – could have a profound impact. These new technologies and sources could flatten oil markets and really affect oil producing states.

The Arctic is melting faster than anticipated, and that could actually enable new patterns of commerce in the region. Over a longer period of time, it may enable additional access to fossil fuels.

The fourth takeaway from the report was that the potential for conflict – both between nations and within nations – is likely to grow, not shrink.

It's still too early to tell whether this forecast will be fully realized or, more importantly, can be stopped. What I can say is that the risks of greater or endemic conflict – especially in the Middle East and South Asia – haven't lessened over the past year.

When you combine this with such a diverse range of threats – including terrorism, drugs and crime – it makes it difficult to see any lessening of the security challenges for the United States and our allies.

And the fifth major prediction was that in 2025, the United States will remain the world's single most powerful actor.

But our influence and leverage will become more constrained – relative to increasingly influential actors elsewhere.

So the forecasts the NIC and others made a year ago seem to be holding up.

They point to greater complexity. There will be a premium on skill in international affairs – using military power, diplomacy, and economic influence.

Now for our last set of projections.

I took this job in January, and a month later, I was testifying before Congress on what we call our Annual Threat Assessment.

Most of that testimony traditionally has to do with countries and regions we view as possible threats to our national security.

But in February and March, I included the possible repercussions of the global economic crisis. I personally went on the record – literally, the Congressional Record – about it.

Armed with lots of prep from the NIC and others, I testified that we in the Intelligence Community expected the financial crisis and global recession – especially if it was prolonged – could have geopolitical consequences affecting American interests.

Well, strong action by this country and others seems to have averted what could easily have been a second Great Depression. But while that crisis has been eased, we're still not out of the woods. Slower growth could hurt the poorest countries, right where the risks of conflict and instability are greatest. This continues to be a huge worry for us.

We forecasted that declining oil revenues may put the squeeze on adventurism by some oil-rich nations – which is a good thing. But it isn't clear yet how long lasting that squeeze will be. The price of oil has gone up to 80 dollars a barrel, which is above or near the level that many countries like Venezuela and others need to balance their books, and then increase their defense budgets.

Our other major belief was that we were turning the corner on violent extremism. We assessed that al-Qa'ida was weaker.

What's happened since my testimony?

The arrest seven weeks ago in New York City suggests that al-Qa'ida still has both the intent and the capability to attack the United States. However, there are also positives. The planned attack was not another 9/11, involving many teams, or coordinated internationally by al-Qa'ida. As important, the attack was detected and stopped by strong cooperation and integrated work from intelligence agencies and law enforcement agencies.

We're not completely safe in this country. But we are safer.

That's it for our forecasts.

There's one final document I'd like to make you aware of – the 2009 National Intelligence Strategy.

It's the blueprint that gives the entire 16-member Intelligence Community our overall vision, our goals, and our objectives. The vision is for us to be more agile, to be more integrated, and to better exemplify American values than ever before.

The goals are simple as well.

Our first goal is to enable the making of wise policy by our country's decision-makers. We have to provide a clear picture of the facts on the ground – and of the likely effects of alternatives.

Real life examples abound: Intelligence has informed our understanding of the impact of the H1N1 virus, North Korean missile tests, Iranian nuclear developments, decisions on U.S. troops and combat operations in Iraq, and the looming, complex civil-military policy decisions facing us in Pakistan and Afghanistan.

Our second goal in the National Intelligence Strategy is to support effective action throughout the government. We've got to deliver what we call "actionable intelligence" to diplomats, military units, interagency organizations, and law enforcement, so they can do their jobs.

Afghanistan and Iraq have really been catalysts for getting the best actionable intel to commanders in military units overseas. Now, we're also getting better at getting intel and warnings to diplomats and provincial reconstruction teams abroad, and domestic coordination centers here in the U.S.

Our third strategic goal in the Intelligence Community is to deliver balanced and improving capabilities, so that future intelligence is even better than today's. We need to stay on the cutting edge of technology, but we always have to make choices – resources aren't unlimited.

The technological possibilities and challenges are multiplying exponentially, and our budgets – if they expand at all – will probably grow more slowly. There are very tough choices to be made with space systems and aircraft, and especially in data handling and storage requirements for the enormous amounts of video, voice, and other data we collect.

The fourth and final strategic goal of the Intelligence Community is to operate as a single integrated team. We're really much more effective when we work together – when we share information and skills, and when we coordinate closely with policy-makers and with decision-makers in the field.

I mentioned the recent case in New York. I think it's a terrific example of our community working as it should.



So what does this all mean with regard to our subject here today – “The New Global Dynamic: Critical Security Issues in the 21st Century”?

If you take away anything from my remarks, it should be this: The Intelligence Community is looking at all possible threats and opportunities.

We have a lot of people focused on the most dangerous, short-term threats facing our nation. But we also have a lot of smart people taking a more strategic look at a wide range of threats and opportunities. After all, it would be irresponsible to not dive deeper, and longer, when it comes to the national security of the United States.

So we’re looking not just to next year, or the end of a presidential term, or even a decade. We’re trying to project alternative futures to the best of our abilities. And then we’re constantly reevaluating our projections and assessments

The President expects us to do that, as does the Congress.

Today’s intelligence forces can do it better than ever. They’re more integrated, and they link together open source information, signals intelligence, human intelligence, and geospatial intelligence as never before. Our people take their jobs very seriously, and they’re very, very good at what they do.

But the nature of the national security threat to the U.S. has changed over time. So it’s incumbent on the Intelligence Community to not only keep up, but to stay ahead of the curve, and to tell policymakers in Washington where that curve is heading.

We also need to give soldiers, diplomats, and reconstruction workers in the field all the intelligence they need to succeed.

No matter how much we do, I doubt we can ever be completely satisfied. Nor should we be. Thomas Edison once said, “Relentlessness and discontent are the first necessities of progress.”

So we plan to keep progressing, as the most agile and most integrated intelligence force in history. One that superbly supports our President, so that he has the best intelligence humanly possible – intelligence that enables him to make the best decisions possible for our national security.

Thank you very much. Now I’d love to hear what’s on your minds, and turn this monologue into a dialogue.



*Director of National Intelligence Dennis C. Blair addresses the World Affairs Council of Philadelphia.*