



**Remarks and Q&A by Mr. David R. Shedd  
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*Video of this event is available online at [www.dni.gov/video](http://www.dni.gov/video).*

MR. DAVID SHEDD: Good morning and thank you, Congressman Hamilton, Governor Kean. Thank you for hosting this great event in which we have an opportunity to evaluate five years into intelligence reform where we stand and, perhaps more importantly, where we are headed.

As Rep. Hamilton was doing the introduction, it struck me that my association with intelligence reform and then the writing of the Intelligence Reform and Terrorism Prevention Act back in 2004 after the 9/11 Commission issued its report reminded me that I want to take credit for what's working and I have no idea who was behind the things that are not working today. (Laughter.)

I also want to thank the Bipartisan Policy Center's National Security Preparedness Group for taking on challenges like this that are so critical to our nation. I recognize their interest in national security and the U.S. intelligence capabilities since the 9/11 events in particular and the establishment of the 9/11 Commission to evaluate the causes of the tragic attacks on that fateful day and provide recommendations so that indeed America can be safer.

Just to underscore a little bit in my own experience, I have 27 years with the Intelligence Community as a CIA officer. So I've lived essentially in two different eras – the Cold War era of the Soviet Union in the 1980s through 1990 or so. And then driven by a passion for better understanding the intersection between intelligence and policy, my makeup or the impact of what I am today was shaped by the Iran-Contra affair, something that Rep. Hamilton is very familiar with in terms of the hearings that he led.

In Central America at that time, I came to a profound recognition that the Constitution, informed by the legislative process, has rules that cannot be broken without consequences. It instilled in me a passion to move from strictly the intelligence operative side in the field to one of better understanding how policy and intelligence come together.

And so I sought and was blessed by an experience of four-and-a-half years in the National Security Council staff, rising to senior intelligence director from 2001 to 2005 – clearly a critical period in

our history. The unfolding history of intelligence is in fact exactly that – an unfolding history that I will term as evolutionary vice revolutionary. Our nation has struggled to identify what it wants from intelligence.

Over the 60 years of this evolutionary process, the process of granting the DCI – at the time, the Director of Central Intelligence – greater authorities has been something that has meandered from public debate to Congress and to the Executive Branch trying to figure that out. The fact is we have wrestled for decades with what the centralized leadership of the Intelligence Community should look like.

I would add that to a large extent, it is a history wherein change, reforms and improved oversight grew out of adversity and self-examination. In other words, it's during the bad times that in fact the Intelligence Community changes and is driven to consider where it should go. You have the Pike-Church committees in response to CIA domestic abuses that led to congressional oversight committees being established both in the House and the Senate.

You have what I've already referred to – the Iran-Contra affair. That led to a profound impact on how covert action is reviewed and how oversight is provided for it. The importance of its integration to the president's foreign policy objectives has only increased since the 9/11 events. I would argue that covert action today is even more complex than it was during the Cold War period. And I will let Director Blair address that in more detail.

And then of course the 9/11 failure – the failure to integrate foreign and domestic information. Concurrently or very shortly after the 9/11 Commission report, you have Judge Lawrence Silberman and Senator Chuck Robb issuing their report on the intelligence failure in Iraq – the inadequate collection and explicitly poor analytic tradecraft on the weapons of mass destruction that never were. The WMD Commission five years ago made 74 recommendations and President Bush accepted 70 of those 74 recommendations, of which the vast majority were given to Director Negroponte and Principal Deputy Mike Hayden to execute.

There were three fundamental reasons behind the creation of the Director of National Intelligence. I would submit it is the need to improve intelligence and the intelligence sharing that must take place. Secondly, a judgment that the job of DCI – Director of Central Intelligence – was in fact too big given the demands of also managing an organization to which I still belong, the Central Intelligence Agency, and its complexities. And finally, integrating the foreign and domestic intelligence or information acquired could not fall to a DCI who at least in the mind's eye of our nation spent most of his time running a CIA which had a history of abuses inside the United States. Those I would submit are the three reasons for the creation of a DNI. Understanding those three reasons will in fact, I think, through the discussions of the two panels – “Are We Safer Today?” and “Where Is The DNI Going?” – help inform where we look and where we go over the next five years.

So that brings us to the Intelligence Reform and Terrorism Prevention Act of 2004. The IRTPA – and allow me that acronym now throughout the rest, but that's what it means – it sought to create the conditions for a more collaborative, more integrated Intelligence Community under a Director of National Intelligence to improve intelligence delivered to the president, the National Security

Council, the Congress, combatant commanders and warfighters and to our state, local and tribal law enforcement elements.

Information sharing balanced with demonstrated mission need was set out as the core of this improved collaborative model within the IRTPA. What did IRTPA not do? IRTPA rejected out of hand the creation of a Department of Intelligence, considered to be a bridge too far in a time of war. So what it maintained was an awkward federated model of 16 – at the time of the passage of the act, 15; DEA was added after the act – 16 IC elements today with all but one reporting as a dual report to a department head. Only one, the Director of Central Intelligence Agency, reports to the DNI and there's controversy today as to what that even means.

So IRTPA, as much legislation usually is, was imperfect at the outset. What it did was create tensions. It created tensions in which that gave the DNI department-like responsibilities, some expanded budget, personnel, tasking and acquisition authorities, but also made clear that the DNI could not abrogate the authorities of any other Department head. Does it play out clearly in your mind where the tension rests then? As a result, the DNI by design straddles everyone else's turf.

In fact, given the structure of the Intelligence Community's ambiguities in the IRTPA, it reinforced to some degree what savvy DCIs in the past recognized. Personal relationships and trust among the leaders are more important to successful collaboration than just words in statute or in executive orders signed by the president. Therefore, the Intelligence Reform and Terrorism Prevention Act of 2004 model requires a successful DNI to rely very heavily on the personal and visible support of the president, strong personal relationships with his colleagues in the Cabinet and among Hill members.

Here is what I summarize as the core challenge emerging out of the Intelligence Reform Act. That core challenge for the Director of National Intelligence is, going back to 2004, there were in fact very different views and I would argue remain very different views on how the Intelligence Community should operate.

Much has been said that what applies for the Intelligence Community in the creation of the DNI is the Goldwater-Nichols Act. For those who don't know what Goldwater-Nichols is, it was the law that eventually created in DOD jointness or joint duty and what is often referred as the color purple. I'll let Mike McConnell and others who have lived that part explain it in more detail perhaps on the panel.

But here's the problem. The tension lies in that while that was given to a Secretary of Defense, there was no Secretary of Intelligence in which in an operational way, he could execute this model of a Goldwater-Nichols approach. So the real questions are: Is the DNI able to in this model: Implement information sharing? Drive the integration of foreign and domestic information? Allocate intelligence expenditures against the highest future challenges of our nation? And continue to enhance analytic tradecraft? I personally believe he can.

Let me digress with a little story. It's a story taken out of Genesis in the Bible, chapter 32. And there is a would-be patriarch – not a patriarch at that time – Jacob, who is about to reconcile with his brother Esau. And the night before, in that chapter, the story goes that a stranger shows up

where his camp is. That stranger wrestles with Jacob – not for an hour, not for two hours – wrestles all night long.

Jacob holds on to this unknown stranger – an angel of God. And in that wrestling match that goes on, it is Jacob who pleads for a blessing. He says, don't let me go till I receive a blessing. And so all throughout the night, the wrestling match goes on. Finally, he receives that blessing and the rest is history in terms of Abraham, Isaac, Jacob.

I tell that story only because it reminds me of the wrestling match that's going on here with intelligence reform. It's one in where there is not a clear blessing over what it should look like. There are natural and at times unnatural tensions in the system, as they say. And so I invite you now to think with me about several of the assumptions about intelligence reform and really raise some questions.

I was being kidded earlier in the morning with some coffee that I'm in the worst position because I get to open. I don't think so – I'm actually in the best position because what I'm saying now or any questions that you have that I can't answer, I can say, Denny Blair will answer them later or the panel will take them on. (Laughter.) So my assumptions will also be tied to questions that I think are worth pursuing, whether in this forum or separately. I have five of them.

The assumption: The Intelligence Reform and Terrorism Prevention Act, as I've pointed out, was imperfect. Statutes, by definition, are a kludge of compromises, but in fact, we need to work collectively to implement it. Assumption: The Director of National Intelligence is here to stay – I hope all my Intelligence Community colleagues are hearing that. The DNI is here to stay. So then the question is, how do we improve the DNI's effectiveness in this model and related to that, do other components in the Intelligence Community truly understand what it takes to have an effective DNI and are they prepared to support him?

Second assumption: The role of the DNI is evolving. Simply look at the 60-plus years of intelligence since the National Security Act of 1947. I mean, I'm struck by – I joined the Intelligence Community through CIA in 1983, a mere nine years after President Nixon gave a DCI the authority to bring the budgets together of the Intelligence Community, in 1974. So here's my question to the assumption: The assumption is the role of the DNI is evolving. The question then becomes are the arrows pointed in the right direction in giving the president and the nation the capabilities required against the adversaries of the 21<sup>st</sup> century?

Third assumption: The DNI is given significant responsibilities in the Intelligence Reform and Terrorism Prevention Act, both as principal intelligence advisor to the President and the National Security Council and so forth, as well as the management of the Intelligence Community of 16 organizations – 17 including the office of the DNI. The question: Does the DNI have the necessary tools to meet both these requirements, that is, provide a more integrated product for that user base of intelligence to inform decision-making?

I would argue that, in a post-9/11 environment, that the user base has increased dramatically, right down to the war-fighter in the Humvee, and to state, local, tribal law enforcement entities, of which there are 18,000 inside the United States.

Fourthly, the IC consists of approximately 100,000 personnel and approximately a \$50 billion annual budget, not including military intelligence personnel or dollars.

The ODNI – the Office of the Director of National Intelligence – note these numbers – consists of approximately 650 personnel at its core and circa 1,200 in mission-support activities, of which of those 1200 individuals, 600 are in the National Counterterrorism Center. So size it to the total size that he’s been asked to do in terms of the size of the DNI, an issue that you hear of often. These numbers, I might add, have been stable in terms of little to no growth for the last three years. The question I have for you, then: Is it not a more effective or appropriate question to ask, is the ODNI carrying out the missions for which it was established, rather than to argue about these small numbers?

Last assumption: In the absence of authority, direction and control over operations, which the Director of National Intelligence does not have, the DNI would seem to require a disproportionate amount of support from the president, his cabinet peers and the Congress in order to effectively carry out or most effectively carry out his job. The question is simply, do you agree with that premise, or with that assumption? If so, can the DNI succeed without that support?

So let me turn, briefly, to the value of having a DNI. Let me throw out the proposition that we shape the argument incorrectly when we say, could a DCI – a Director of Central Intelligence pre-2004 or April 2005, when the Director of National Intelligence opened for business – could a Director of Central Intelligence have carried out this list of things that I’m going to talk about?

The real question for me is would a DCI have done these things? Now, in some instances, perhaps you can still ask the question, could the DCI have done these? But I think a far more logical question is, given what were the DCI’s job requirements, would he have spent the time in managing the community the way a DNI can do now? I believe the answer is no.

The flipside of asking that very same question: Is the value-added of a Director of Central Intelligence Agency today freed up to the point that in managing a very complex organization nearly full time is truly value-added, to where we are today?

I would submit yes. See, the DNI is uniquely positioned to focus the power of our Intelligence Community resources against national security challenges. He has that power to bring it together, coalesce it and move out against those challenges. No single IC-element leader today, in my view, is able to do that alone.

But for a Director of National Intelligence, we would not have addressed matters of collective national security importance such as the establishment of IC’s strategic intelligence on counterterrorism, counter-proliferation, counterintelligence, the Afghanistan strategy as it pertains to intelligence support to it, Iran, North Korea, among other topical areas. In other words, if you have heard it bandied around there, we’re talking about the creation of Mission Managers, managers who look at the capabilities, the shortfalls or gaps to what’s required against these very difficult, perplexing goals, in giving the President what he needs.

I tip my hat to Mike McConnell for the work done in two particular areas that I do not believe, again, a DCI would have emphasized in his daily job. One was the reform of FISA, the Foreign Intelligence Surveillance Act which was dated from 1978. Obviously technology has changed a bit since then – and it took the will and the power of the Congress to bring about what I would call a modernized version of that 1978 act. Secondly, he focused the community and ultimately our nation on the Comprehensive National Cyber Initiative. In those two areas, again, I do not believe that any single agency would have pursued those independently.

What's the value of those three things alone? The value is that they focus mission before and ahead of process. FISA needed to be brought into the 21<sup>st</sup> century; the threats posed by cyber – as you've heard from Director Blair, Director McConnell, Director Negroponte -- are real and they are with us. The establishment of those Mission Managers is another factor that has provided tremendous value as well.

The revision of executive orders, one in particular – Executive Order 12333 – an executive order signed by Ronald Reagan in 1981, was revised and signed by President Bush in July of 2008. Several of my colleagues worked on this with great intensity and with great fervor because what we saw in the modifications of Executive Order 12333 from 1981 to a post-IRTPA was an opportunity to clarify, within the framework of that law, the ambiguities that existed prior to the signature on that amended executive order.

For those who don't know and I believe most of the room knows this, Executive Order 12333 is the notional bible for the Intelligence Community – the lanes in the road, so to speak. Two national intelligence strategies, one under John Negroponte in the fall of 2005 and one this last summer in August of 2009 – both these national intelligence strategies provide a very macro roadmap for where the Intelligence Community needs to go.

In your packets today, I believe you have a copy of it. There are six mission-focused objectives and seven enablers or enterprise objectives. They help inform the budget allocations, personnel allocations and the bottom line – simply the priorities on which the Director of National Intelligence goes to the President and says, this is what the community is focused on. That does a handshake with the National Intelligence Priorities Framework that the President then signs off and says, these are my priorities in these specific countries or transnational issues.

Security clearance reform – I lead this effort. It's a – still a work in progress but tremendous progress has been made in moving the datelines from extended many, many months for a top secret clearance all the way to two to three months in terms of the average. More is yet to be done – a partnership that is done with the Office of Management and Budget, with the Office of Personnel's John Berry and with the DOD – 2.2, approximately, million clearances per year – what single agency would take that on? Yet everyone is the beneficiary for it. It enhances mission.

The enhanced acquisition oversight – this will very quickly take you into a classified discussion but efforts are well underway – again, a work in progress – on providing better choices, better oversight to big acquisition. Providing leadership within the Intelligence Community on science and technology research. Again – wonderful things happening in the individual agencies, a missing piece to it was bringing it together so that one part of that Intelligence Community would have a

perfectly good overlap with what another element of that Intelligence Community is doing today. Providing an investment strategy for that S&T effort.

Finally – just again, not an exclusive list of things that, I think, are value added but it is what I call the big policy issues where no single element of the Intelligence Community is focused on it – that would be space policy, export control regime, just to name a couple. So this is where no single agency has the corner on that particular market but each and every one is a beneficiary with the outcomes of where those policies end up. So before opening it up to your questions – and I will take a recusal that if I can't answer it, again, I will pass that on to the DNI.

Let me wrap up. What does the Intelligence Community look like five years from now? I will, in large measure, leave that up to my immediate boss, Director Blair, to address at noontime. But here's the thing. I have to ask myself – and I think it's worthy of this group to consider – can we reach a consensus? Refer back to the blessing that Jacob was looking for. Can we reach a consensus on what the IC should be including and what obstacles remain in achieving success? What does success look like for a Director of National Intelligence?

See, because I think, on a daily basis, we're into managing expectations. I was saying to Steve Cambone before we came in here it's funny – there's an expectation I believe, and particularly in this town, that you can fix it all and you can fix it fast. The reality is the problems – or better put – the challenges of the Intelligence Community are by definition complex. They're difficult. FISA reform was hard to do. Here's the big surprise. It's supposed to be hard. There's a balance with civil liberties and privacy. Obviously, it's hard to do. Where is that balance? Has it shifted over the last 10 years? Has it shifted within a post-9/11 environment versus a pre-9/11 environment?

The debate over more law enforcement approaches to terrorism versus more intelligence approach to terrorism – those are hard but very healthy debates to have. But there is a certain expectation that in the creation of the DNI – and I'm sure by no one in this room – but just outside this room, an expectation, that he could fix this overnight. It cannot be done. But it can't be done for very good reasons because of the complexities and the tensions that exist. So can we reach consensus on what this blessing looks like for DNI over the next 5 years?

And secondly, how does the DNI ensure responsiveness from that Intelligence Community absent authority, direction and control? So I think a very legitimate question and one worth pondering is that the Congress and the will of the people was expressed in this federated model of 17 organizations, including the Office of the Director of National Intelligence rather than the creation of a Secretary of Intelligence or a Department of Intelligence. So I leave you with that and with one final question – does the DNI have the political support necessary to succeed? And associated with that question, what is the cost of failure? Thank you very much and I gladly take your questions. (Applause.)

QUESTION: Thank you. My question is related to the fundamental issue you raised – one of the fundamental issues. The DCI didn't really have enough authority. It was a struggle over the years. Many people have felt as you, I think, have stated that the DNI doesn't actually have the authority. What authorities would you recommend and can you give any concrete example, not just in theory,

but of an authority that you would like to see the DNI have and how might that result in something better happening in a particular instance?

MR. SHEDD: Great couple of questions there. I will let the panels address their view on authorities but I will give you my personal view. I believe the DNI, in essence, has the authorities that he needs today to manage the community. I think the combination of the Intelligence Reform Act, with the clarifications obtained in EO 12333 of July 2008 as amended give the DNI enormous ability to manage this community with the proviso that he has the support in doing so.

I'll give you one example of where the authority that he does have remains a challenge. It's the hire and fire aspect. I think most of you, if not all of you, recognize that that's a very powerful authority in terms of creating the conditions for change within the corporate world or within government, authority, direction and control is executed through that personnel authority. In the still relative youth of the ODNI and the establishment of the DNI, it has not been executed on and one could argue there's been no need to. But it has not been executed on in a way that would clearly make the statement of who's in charge.

So why would you go for additional authorities to, let's say, theoretically want to name the second and third and fourth echelon of every IC element? He's not the Secretary of Intelligence. You hold the top person accountable for their actions. So I, personally, cannot come up with a single authority that I would say, today, he doesn't have that he must have in order to do his job.

QUESTION: I'd like to ask you a question about constituency. You talked about a whole variety of things of external support. What's your view of the community's interest, zeal, commitment to being led by a DNI?

MR. SHEDD: That's a tough one. I break down the community, the 16 organizations, in, sort of, three tiers – tier of the six big organizations in it, four of which reside inside the Department of Defense, the CIA and the FBI. So the National Security Agency, the National Geospatial Agency, the National Reconnaissance Agency or Organization and – let's see the – which one did I leave out? The DIA, the Defense Intelligence Agency. They, by definition, in budget and personnel, account for the predominant part of the community. Those numbers are classified, so I'm not going to give them to you.

Then you have your middle tier. The middle tier are your departmental elements. So State and Treasury and Drug Enforcement Administration, et cetera have a small element of various sizes – DHS has Intelligence and Analysis and so forth. And then you have your military services. Now, please don't take away that one's more important than the other. It's simply a way to think about your question and how to answer it. Let me start from the bottom up.

The military services are very happy to, sort of, have a nexus into the Intelligence Community to have national means support their tactical requirements. They have some national requirements but they largely support tactical. The middle tier is very happy with the creation, in my view, of a Director of National Intelligence because they get on the map. A million dollars here or there makes a big difference; 100 to 150 billets makes a big difference for them.

It's in the large ones – and I think there you face well established – and for good reason – esprit de corps, some might call it cultures of, doing quite well, thank you very much. For good reason, they have a long history and tradition to be proud of as individual agencies. And that's a wonderful thing. I am proud to be an officer of, formerly, of the clandestine – of the DO – now, the National Clandestine Service, as a CIA officer. That's a wonderful thing.

One thing that has been exaggerated is that in the creation of the Director of National Intelligence, what the DNI really wants to do is make all of them look the same. Nothing could be further from the truth. In fact, the strength – the backbone of our nation's intelligence capability is making sure that you have better-trained and better-focused tradecraft in each and every one of those agencies that are collector agencies. I don't want a HUMINT-focused case officer becoming a signals intelligence officer. Rather, what I'm looking for, then, is how do you integrate it?

Now to your part on what's the zeal, or the buy-in, or your description – it's mixed. That's evolutionary in and of itself. Most bureaucracies, I would suggest, respond to self-interest. That's no surprise. If they see a value in the contribution that they bring or that they're seeking from a DNI, they play well in the sandbox; other times, they don't play so well because they fall back on the practices that it's easier to be quasi-independent from an overall direction of a DNI or a leadership role of a DNI.

So in that sense, it's mixed and it's a work in progress. And by the way, it's not necessarily bad behavior. It's simply how they respond to this leadership challenge for the DNI. Now, I might add the DNI, both established under Director McConnell and then subsequently carried forward by Director Blair, he uses the Executive Committee with the representation of all those 16 element heads to bring them together against hard issues, and particularly where difficult decisions needs to be made on budget allocation and resources overall. So there is a working model, in terms of responding to those needs by the individual elements. I hope that answers your question.

QUESTION: David, thank you for a very cogent and passionate account about what the DNI has done. I wonder if you would say a bit more about what you think all this reform looks like to the users of the intelligence – the policymaker who rely on intelligence to reduce uncertainty, which is ultimately all intelligence can ever hope to do.

Do you think that the nature and content of the president's daily briefing has subsequently – is significantly and materially altered, following the reforms? How do you think some of the top policymakers in the major departments of government would think that the service they receive has changed, as a result of what has happened? Thank you.

MR. SHEDD: Great question that I could easily answer, go ask them, but I won't do that. Obviously, they provide continuous feedback, in terms of how they see it. I believe that in the area of counterterrorism, the users of that intelligence are much better served than nine years ago.

Why? Because the basis in which a National Counterterrorism Center or the elements within the intelligence communities, like counterterrorism centers throughout other elements, bring their information together to provide both strategic and tactical analysis that helps inform, again, that

strategic picture, or even the tactical picture, when it comes to threats. So we are better off there, unquestionably, in my mind, in terms of the product.

I also believe that on those hard issues that I mentioned where, either the Mission Managers or the management of mission has brought a laser focus, the customers, the users of that intelligence and that wide range of customer sets or users of that intelligence are very pleased with it. It has led to identifying gaps. It doesn't make it any easier to fill those gaps. It requires hard work and stick-to-it-iveness to close those and to succeed.

But where you do have it is, the community has focused its resources in order to go after that. I mean, clearly, I could give examples that would go into the classified world of where that's occurring on a daily basis, in terms of that product. The President's Daily Brief is always shaped around what customer number one wants, in terms of style, and to the degree that he's using it to inform his decisions. I would say, again, he is getting in a post-Iraq-WMD environment, alternative views -- the analytic tradecraft behind those is tested in ways that I believe has made the product a better product. The National Intelligence Estimates, I think, go through a more arduous process when it comes to the vetting of the information, as well, clearly taking a number of the WMD commission recommendations and applying those recommendations to analytic tradecraft, in a way that the customer is, I would hope, more satisfied that the arduous look into the basis for the judgments being made or the assessments being made are in fact supported in their underlying assumptions from the -- or reporting that's provided that.

QUESTION: Greg Schulte. I'd like to try to answer, as a policymaker, the last question, but I also have some questions for you. I'm not of the Intelligence Community, but I worked with the Intelligence Community through my government career. David Shedd was one of my tutors. David, I thank you for that. John McLaughlin was, too. My last job, I was a very heavy user of intelligence. I was the U.S. Ambassador to the International Atomic Energy Agency for four years. And Iran was one of my focal points.

And I can say, from what I sat, first off, I received excellent support from the Intelligence Community. If I needed intel, I got it; if I needed analysis, I got it. And one thing I noticed during those four years -- I can't be very specific, but I think I can attribute this to intelligence reform -- is that the quality of intelligence went up -- the depth and breadth, without being explicit. I think a lot of it had to do with the mission managers and the integrated focus that was put on that. So I think that was very important.

I also had a very important advocate in something that was created called the National Counterproliferation Center. I was very fortunate because my predecessor in Vienna, Ken Brill, was the head of that, so he understood what my job was. And so when I had issues, I would call up Ken. And I'd have an issue and somebody would say, you want to release intelligence to the IAEA? They're foreigners there. (Chuckles.)

Well, of course, it's full of foreigners, but you have to make a judgment there. And I'd call up Ken and he'd help me through that. So I was very fortunate in that I had an advocate. Now, three issues -- I'm only going to ask you to address two. NIEs -- I never want to see something like the 2007

NIE again. Nothing did more to set back my job there, in terms of how the key judgments were drafted. But that's a different discussion.

But where I do have two questions – where I saw there could have been improvement – one is in terms of the integration of intelligence. Where I sat in Vienna, I didn't see technical analysis integrated with political analysis as I would have liked. I didn't see classified analysis connected enough with unclassified analysis. I was the integrator of national intelligence, and I didn't think that was right.

The second thing is, it was hard to get actionable intelligence. And for me, actionable intelligence wasn't intelligence that said, go intercept that ship; it was something that I, as a diplomat, could use. We could release it to others. I could use it, even publicly. That was hard. The Intelligence Community wasn't set up to provide me that type of actionable intelligence, and there were times when I gave up on it.

So I got terrific support. I saw improvements because of intelligence reform. But is there more that intel reform should do to integrate intelligence for the user and make it more actionable? Thanks, David. Thank you for the support you've given me.

MR. SHEDD: Thank you, Greg. Great questions. Part of that evolutionary process, I maintain, within the Intelligence Community, particularly on the collector side, is the recognition of the abundance of open-source information. And I think we are only beginning to turn the page at looking at that. The Open Source Center, which has an executive agent nexus to us – it's with CIA, but it's under the DNI's overall leadership – is an area where there is a much stronger bond being created into the analytic community than, probably, 15, 20 years ago.

And I would turn to John [McLaughlin] if, later, you want to talk about how the analysts are tapping into that open-source information so that you get a more integrated picture. I think one of the things that we continue to encourage our State colleagues is that in the production of State cables, there be an old-fashioned way of getting that information out to the community.

Why? Because the dependency – and I'll be fairly blunt about this – but the dependency on e-mail has created an increasing shortfall of State reporting that actually reaches the IC – I'm sure not out of the IAEA office there, but in many places – so that we feel, as a community, we are actually falling short of being able to tap into diplomatic reporting.

And John Negroponte and I had several conversations about this, both when he was at the ODNI and then subsequently, when he went over as Deputy Secretary of State. So I think there is a requirement, in fact, to bring all information to bear on the question or the problem that is being addressed. A harder one is this whole issue of releasability. It certainly is an instrument available in terms of what proverbially are called the demarches.

The tension there is always on the protection of the source and/or the method in which it was acquired. And at times, the sensitivity precludes, certainly, an explicit reference to the knowledge of that information for that purpose. That said, I think it falls on the community, again, to do what it can to satisfy the needs of the user of that intelligence, in terms of providing the impetus for that

foreign policy objective. And so I would say more work needs to be done, but I don't see any time soon that, that will become an easy problem to solve, simply because of that natural tension. John?

QUESTION: Thanks, David. You said that – I think persuasively – that the DNI cannot succeed without the present and visible support of the president and the Congress – the executive and legislative branches. I think we'd all agree something's missing there. What is it? And what would success look like, for the DNI, if you had the support that you need? And I did hear you say that the DNI has adequate statutory authorities, so there seems to be some problem in executing some of those authorities. How could the executive branch and the Congress help in the daily implementation of those statutes? Thank you.

MR. SHEDD: I believe the visible support for the DNI is played out through the engagement with the DNI in policy circles, where he is informing the policy options, where his advice is fully considered. And I think that is occurring today in his principal intelligence advisor role.

I think there needs to be constant vigilance toward defining what the Director of National Intelligence objectives are in terms of the management of the community, and then getting buy-in from those constituencies that you just described, and then publicly supporting him in that regard. And I will leave to the panels their observations of whether that's occurring today or not.

QUESTION: Hi, David. You stated initially that you believe the overarching question or critical question is whether the ODNI is carrying out the mission for which it was established, as opposed to this question of numbers – how many staff. So I'd like to know why you believe the question of numbers has gotten so much more visibility, controversy and airtime than your question, that you believe is more critical?

MR. SHEDD: It's a lot easier to focus on numbers. We're quantitative and it can be an easy distraction to a much harder question to answer, which is the latter question. And so I think it has had the effect of turning the discussion or the debate over a DNI toward a shiny little object that's over here, rather than getting to the core question, is it in fact meeting the intention of the 9/11 Commission, IIRTPA, the WMD Commission, in terms of what they sought to do? And if not, what are those obstacles?

And I'm suggesting when you juxtapose those numbers against a community of approximately 100,000, it doesn't make a whole lot of sense to have the argument in the dozens of people, versus the mission. And so I'll leave it at that. And why? Because it's probably easier to go towards that question. But it does go to the heart of the matter of, what does a DNI look like? What does an ODNI look like, in terms of executing those responsibilities?

So I've heard it said it's a person who sits with a clerical staff and a sort of rolodex and sort of calls people, you know. Then it's a really, really small staff. Or it's something that's far more – even bigger than what it is. So at times – to not diminish the argument about the numbers – it, at times, is actually more a reflection of what a DNI should be. And that's where we continue to work at getting that better defined.

QUESTION: In his last annual threat assessment, the DNI made a prediction of the probability of attack on the United States by al-Qaida. What everyone thinks of that prediction, going forward, do you think it's the responsibility of the DNI to have his out tout sheet? Here are the events that are likely to occur within the next six months, the next year, and to keep regular book on that?

MR. SHEDD: I missed the one thing – the sheet.

QUESTION: Tout – T-O-U-T.

MR. SHEDD: Tout sheet, okay. I'll let him answer that at lunchtime. Ask it – you know, that's for him to answer. Yes, ma'am.

QUESTION: If I may ask a non-specifically-DNI-related question, in response to the leakage of an Iraqi video this week, I was wondering if you office will or is doing anything to counter agencies or organizations such as Wikileaks that encourage and facilitate the leakage of classified information to the public?

MR. SHEDD: Your question's on leaks, generally, and the response. Absolutely, it's a profound concern. Leaks have done incredible damage to our nation's capabilities at various times. Going to the symptoms of why classified information is leaked is critical for us, and we work very closely with the Department of Justice, in terms of identifying leakers and having the Department of Justice take appropriate action on them.

But as you can imagine, it's a very, very difficult thing, one, to ferret out where the leaks came from, and two, the Department of Justice then has to make a judgment, in terms of the pursuit of the individual that they believe may have been behind the leaks. So yes, we do take it very seriously, and there are far too many leaks. (Pause.) Thank you very much. It's a privilege to serve you and our country. (Applause.)

(END)



*Deputy Director of National Intelligence for Policy, Plans, and Requirements, David R. Shedd.*

This transcript has been edited for clarity.