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HERDING CATS:
SYNTHESIZING THE INTELLIGENCE COMMUNITY

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HERDING CATS: SYNTHESIZING THE INTELLIGENCE COMMUNITY

MR. AMBROSE: Thank you. I like it. The room quiets down. Good afternoon, everybody. My name is Rick Ambrose. I'm the executive vice president for Space Systems Company at Lockheed Martin.

It's my great pleasure to introduce our next session, Herding Cats: Synthesizing the Intelligence Community. It was a little over a decade ago in the wake of 9/11 that the Office of the Director of National Intelligence was created. Our featured panelists today; National Intelligence director, James Clapper, is the fourth person to lead this office. During this session, Director Clapper will discuss what progress has been made in integrating U.S. intelligence efforts and what remains to be done.

Our moderator for this session hardly requires introduction. Andrea Mitchell is one of the best known and most respected journalists in the United States. As lead political correspondent for NBC and MSNBC, she covered the White House during the Reagan and Clinton administrations. She is now the chief foreign affairs correspondent for NBC news and the host of Andrea Mitchell Reports. This promises to be an interesting discussion. So Andrea, I'll turn it over to you. Thank you.

(Applause)

MS. MITCHELL: Well, thank you so much. It's wonderful to be here at Aspen. Our thanks to the host and thanks to all of you for coming out. But, of course, you're here to hear from the DNI director, Clapper. Thank you for flying in, and you had some overcast weather and a difficult landing. So thank you again for not being diverted.

(Laughter)

MS. MITCHELL: We're all grateful.

Director Clapper, I want to ask you first about the threat to the homeland from lone wolves and those, in

particular, inspired by social media. How do you assess the threat, how do you defend against it?

MR. CLAPPER: Well, thanks, and well, thanks for having me here. And yes, it was an interesting carrier landing approach, gets your adrenaline up. As for the question, I think Jim Comey -- I did watch his interview with Wolf Blitzer -- and I think he spoke to this.

And the problem for us in intelligence is with the way people radicalize on their own or are radicalized via social media where they don't leave out a signature. They don't emit, if you will -- and I mean that in a holistic sense -- some attribute or trait or behavior that would lead you to begin watching them. And so we're lacking that.

And this phenomenon of the radicalization, either on one zone or through the vehicle of social media -- and I think Jim spoke to the challenge we have now where someone is proselyted by an ISIL recruiter sitting in Syria or some place, and then if there is an interest that is evoked on the part of the one being proselyted or the potential extremist, and then they'll switch to, you know, encrypted communications that we can't watch, we can't warrant.

And as Jim has said, probably there are now investigations in every one of the 50 states. And this is a real worry, a real concern for us because I personally think it's a question of time before we have more of these than we have already. And it's a very daunting challenge for us. And so -- and I think it's illustrative of how the threat has morphed to a certain extent from, you know, industrial-size attack of the magnitude of the 9/11 in which there are or were, as we learned afterwards, signatures that could have forewarned us had we seen them.

And in this case, you don't have those, even though there are a smaller scale, but as we've seen with the case of the shootings in Chattanooga, the psychological impact that has is, I think, quite profound. So it's a serious threat.

MS. MITCHELL: In the case of Abdulazeez in Chattanooga, was there encryption?

MR. CLAPPER: I don't believe so. We're not -- there's been no connection made with, at least that I am aware of thus far, although this is still under investigation and the Bureau and the police are still researching this. In fact, that's one thing I think we need to keep some book on, to keep some records on this where we ran into an encryption situation and that stymies an investigation. And I think we probably need to see what we can do to do a better job of keeping some metrics on that.

MS. MITCHELL: There's been testimony recently about end-to-end encryption and developing a new relationship with some of the companies involved. There's a lot of tension though because of the past allegations of abuse and their own corporate interests. How do you resolve that?

MR. CLAPPER: That's a great question. And I'm kind of where Jim is on this as well. I am not a technologist. I certainly understand, believe me, both sides of the issue here on (inaudible) privacy and the impacts on commercial interest versus the need for national security or law enforcement investigations. And it's just hard for me to believe though in this country, the United States of America, you know, the heart of innovation and technical ingenuity, we somehow can't figure out a solution to this where somehow both interests are attended to. I don't know what that is. That's a dilemma for us.

MS. MITCHELL: Is this online threat, the threat of social media, the ISIL or ISIS threat greater now than core al-Qaeda to the homeland?

MR. CLAPPER: Well, that's a hard -- actually a hard question because it's different, it's threatening. To say one is of greater magnitude than the other at least for me is hard.

MS. MITCHELL: I wanted to ask you about cyber

attacks and what we've recently experienced with this massive attack on the government on OPM. Admiral Rogers suggested that what is different is the scale. This was appreciably larger, 22 million-plus people, not just the intelligence community, but their friends, their relatives, anyone who they put down as references. Doesn't the scale of this attack, millions of millions of people, require some kind of different response?

MR. CLAPPER: Well, yes. And I think Admiral Rogers has also been very articulate about, and mind you, correct, about the need for some kind of cyber norms. And a part of that would be some form of deterrence, which we don't have right now, either the substance or the psychology of deterring cyber incursions.

And until such time as we come up with a form of deterrence that works, we're going to have more and more of this. You know, as he also said, and I agree with him, you know, this is not -- it's not a one-off, we're going to have more and more of this. And of course, reacting after the fact, which is the way we do things now, and then we mediate and try to -- we'll, you know, do the fixes and all that, as he can attest, and as we all of us -- as he can attest, is very, very resource-intensive. But this is kind of the -- in a sense, a new norm.

MS. MITCHELL: Yet it's been reported that the administration has decided that economic cyber attacks like Sony, and we quickly heard officials identified North Korea, is one thing, and will be responded to, but that this kind of attack will not be, because it's the norm, it's within the parameters of the espionage world, spy agency against spy agency. Can you explain that?

MR. CLAPPER: Well, that's part of the problem, because there is a -- there has been the tendency or the practice I think to acquiesce when it's passive. But if it was you just collecting information, which we all do, you know -- kind of reminds me of the classic line from "Casablanca" with the spy here, "I'm shocked." You know, we all do it. That versus what we're moving into whether it's, you know, an SOS in the case of Sony, genuine damage that can be, you know, physically measured.

You know, there's a lot of talk about loss of intellectual property and the value of that. That turns to be a hard thing to do because we did some work on this in the intelligence community, in fact, in the NIE, National Intelligence Estimate, and just went through the -- they tried to describe the difficulty of quantifying intellectual property on an sort of an even-playing field basis. That's very hard to do.

So there is the issue of nation states conducting espionage, which, you know, we all do, versus damage. And so as we've seen these progression of attacks, denial of service, and when I see -- I think the next wave, if you will, will be data deletions and data manipulation, which will also be very, very damaging. But as this progresses and people get -- you know, push the envelope, whether nation states are hacked or individuals on nation state entities, I think we're going to see more and more aggressiveness until such time as we can create both the psychology and the substances of deterrence.

MS. MITCHELL: But haven't they crossed the line with this instance, in that it's 22 million people and it's people who are complete bystanders, they're not government employees?

MR. CLAPPER: Well, what's the line, that's the issue, is that if you describe the redline there -- and there's no question about -- and I think Jim Comey spoke to this, what a goldmine this is for a foreign intelligence service -- I'm just speaking generically by the way, a foreign intelligence service, and particularly the impacts on the intelligence community and its people. I mean the implications there are huge and meant by the way long-lasting.

MS. MITCHELL: You did acknowledge that China was the leading suspect in a public forum. You said you have to kind of salute the Chinese for what they did. What did you mean by that?

(Laughter)

MR. CLAPPER: Well, I think whether Chinese or whoever it is, we -- you know, if we had the opportunity to do the same thing, we'd probably do it.

MS. MITCHELL: You mean they're better than we are?

MR. CLAPPER: Well, yeah, in this one case, maybe you have to give them a point. But it is -- and of course, it's an obvious lesson here is the need to attend to our defense, but we can't be constantly on the reactive mode. What we've found is just sort of commonsense things oftentimes aren't done. And people need to learn what phishing is and not opening attachments that don't -- that look funny, you know, just kind of basic commonsense hygiene, which is, you know, really isn't rocket science. But, you know, it was a haul, no question about it.

MS. MITCHELL: How do you respond in cases where you wanted to respond without setting off a cyber war?

MR. CLAPPER: Well, that's precisely the issue. The concerns that always come up wherever we have -- I've been a party to these analyst discussions about what are the second, third order effects or unattended consequences. And that is always an inhibitor. And of course, we're always mindful of our -- of the state of our defenses, you know, if somebody wants to counter attack, what are the implications of that. And these, you know, these get to be very complex and very technical and very ethereal discussions about what the implications are if, in fact, we retaliate.

MS. MITCHELL: I want to talk about --

MR. CLAPPER: Even in the case of the North Koreans, I might add that what we ended up doing was sanctioning individual Koreans, North Koreans, we really didn't -- you know, it was a conscious decision not to reciprocate in kind.

MS. MITCHELL: So it was proportional or calculated?

MR. CLAPPER: I think it's calculated.

MS. MITCHELL: I want to ask you about the Iran deal. What is your level of confidence after the North Korean reactor in Syria that we didn't know about, after A.Q. Khan, after all of the underground facilities we were unaware of until they were constructed? What is your level of confidence now that the North Koreans will not get something -- rather that the Iranians will not get something from North Korea, from the Pakistanis and get components for a weapon without our knowledge?

MR. CLAPPER: Well, neither with this agreement or any other like it can there be 100 percent certitude that, you know, we will see everything or detect any nefarious activity. I will say though that from strictly from an intelligence perspective that this is good thing for intelligence because of the pervasive surveillance prerogatives that will be given to the IAEA assuming the Iranians comply with what is in the written agreement. So we will have far better insight on the -- certainly the industrial aspects of the Iranian nuclear program with this deal than what we have today.

So the Congress required us to submit a supplementary annex, which we've done, that explains in an excruciating detail what our capabilities will or won't be in terms of the intelligence capability to monitor compliance with this agreement.

Now is it 100 percent lock-proof guaranteed, no, we couldn't say that. But it puts us in a far better place in terms of insight and access than we have today.

MS. MITCHELL: What about the accusation that there are side deals the IAEA negotiates, as we all knew they were, separately with individual countries that are signatory to the non-proliferation treaty? Are these secret agreements or have they been fully briefed in classified session to Congress?

MR. CLAPPER: Well, there are agreements which is kind of standard under the safeguard arrangements for

the IAEA. The agreements they have on a sort of bilateral basis that is the IAEA to the nation in question. So the IAEA has told our negotiating team and Secretary Ernie Moniz deeply involved in this that they are satisfied with the arrangement that has been worked out with the Iranians. Now we don't know exactly what that arrangement is.

MS. MITCHELL: So we are outsourcing to the IAEA?

MR. CLAPPER: Well, that's not a unique process though, but that's essentially the case. Now this only has to do with one aspect of the -- you know, PMD, the previous military dimensions -- prior military dimensions, and how that will be addressed between the Iranians and the IAEA.

MS. MITCHELL: How important is it that we come to a complete understanding of prior military dimensions of basically how close they came to getting --

MR. CLAPPER: Well, I'm not sure that even if, you know, they come clean, so to speak, that that's going to add a great deal to what we already understand that they were doing prior to 2003. So it would be an affirmation. I think it would be a confidence building measure, but in terms of gaining more insight or learning more about what the nature, what they were doing, it won't. I think the approach that the team took was that, yes, this is important but rather than retrospectively looking, prospectively is more important.

MS. MITCHELL: Does the agreement let the Iranians do their own soil testing at Parchin? Because one of the senators at the hearing yesterday said, that's the equivalent of letting somebody --

MR. CLAPPER: What's (inaudible).

MS. MITCHELL: -- do their own urine test, drug test.

MR. CLAPPER: Again, this gets into the specifics of the agreement, and I honestly don't know what those are.

MS. MITCHELL: You testified that you couldn't be confident that this nuclear agreement would change Iranians behavior in other dimensions prior to the agreement being negotiated. What do you think the effect of this agreement will be now that it's been done on Iranian behavior in the region?

MR. CLAPPER: Well, the considered I.C. judgment, which is based on a pretty solid assessment, is that the lion's share of the funding will be freed up with the sanctions relief will go to things economic. That is the reason they came to the table and it is our belief that that's where the bulk of the money will go because they have many, many demands in Iran for fixing the economy.

Now the, you know, funding proxies, funding the IRGC, the Quds Force and all that, well, they've been funded anyway, even with the sanctions regime. So I'm sure they'll get some money, but I don't think it'll be a huge windfall for them, because as I say they've already been funded. So we believe our assessment is that the lion's share of whatever funding is freed up will go to the economy.

MS. MITCHELL: They've already been punching above their weight given what they spend with the Quds Force, the IRGC spends compared to some of the Gulf states spend and they've been achieving a lot in the region. So even a fraction of what they will get from sanctions relief would be a considerable benefit to the military.

MR. CLAPPER: Well, it would some benefit. I don't know again the adjectives that we're getting -- the adjectives of some considerable, they -- you know, they've got some of the same challenges though that pouring money into what has become black holes for them as well, they've

got some challenges there as to how that funding would be used and the impact it will have. And so looking at it from their standpoint, if we look at what's going on in Syria or Yemen, now they've got tall mountains to climb there too.

MS. MITCHELL: I wanted to ask you about Russia. General Dunford testified recently that, quote, "If you want to talk about a nation that could pose an existential threat to the United States, it would be Russia." What is your assessment long term of the threat from Vladimir Putin's Russia?

MR. CLAPPER: Well, first, I think there's a lot of controversy about characterizing threats or picking out, you know, what is most threatening. And I think it is useful to keep in mind at least in intelligence context that there are two dimensions to gauging a threat. One is capability, and the other is intent, and that applies whether it's a nation state or a non-nation state.

So if you look at capability, clearly the most - the entity in this case is a nation state and it's Russia, which could wreak the most damage on this country, it's clearly Russia, which has a very capable strategic nuclear arsenal, which they are modernizing, and are very committed to modernizing their nuclear capability. So I'm in agreement with General Dunford on the capability, and Russia as an existential threat.

That's not to say they have necessarily the intent to unleash that nuclear strategic arsenal. So I had to keep those -- to me, at least, those two dimensions in mind.

MS. MITCHELL: As you look at Russian behavior in Ukraine, for instance, how do you assess what is your estimate of what their intention is?

MR. CLAPPER: Well, clearly, they, by whatever means they want to keep Ukraine in their orb. I think Putin is somewhat of a throwback to maybe the Tsar eras in

terms of his vision of a greater -- a great Russia, and of course, his characterization of the break-up of the Soviet Union is, you know, the greatest geopolitical disaster in history or something, whatever he said.

And so, Ukraine or little Russia is, I think, you know, such a ingrained part of the psyche of Russia that they have got to figure out some way where they can keep Ukraine under their thumb and on course. What they're most concerned about is the move to the West, joining EU and then, of course, complete (inaudible) of them would be joining NATO. So however this works out with keeping some, you know, frozen conflict -- and I don't think their conflict is frozen yet -- they are going maintain their influence over Ukraine to federalize it to prevent Ukraine from orienting towards the West.

MS. MITCHELL: I wanted to ask you about personal e-mails and servers. Your Inspector General and the Inspector General of the State Department have now publicly reported -- since there were some erroneous reports last night -- have publicly reported that four e-mails chosen randomly from 30,000 of Hillary Clinton's e-mails contained classified information when they were generated, and according to classification officials, that information remains classified.

The IG say that the classified information should never have been transmitted via an unclassified personal system. Is it a bad idea for a cabinet official to have a personal e-mail system?

MR. CLAPPER: I didn't know you could do that, you know.

(Laughter)

MS. MITCHELL: Would you do it if you had known?

MR. CLAPPER: Probably not, because I wouldn't spend the money on my own server.

(Laughter)

MR. CLAPPER: I'm not going there for obvious reasons, but here is why. Let me make this important point here. The ICIG, Intelligence Community Inspector General, a confirmed official although a part of my organization, one of the obligations, which I have tried to strictly adhere to, is to preserve the autonomy and independence of the ICIG. So I'm not saying anything about this investigation.

MS. MITCHELL: Understood. Let me ask you about a safer topic, then, chemical weapons in Syria.

(Laughter)

MR. CLAPPER: From one to another.

MS. MITCHELL: The *Wall Street Journal* has reported that the intelligence agencies, the West missed some of the stockpiles when they investigated. Is that accurate?

MR. CLAPPER: No it's not. From the get-go, we had our assessments of chemical weapons holdings in Syria, we, the intelligence community. And we used those to gauge the Syrian declarations and what was ultimately moved, those were never ever congruent.

We have never said from the beginning that a, we had 100 percent accurate assessment, because we don't get to walk around their warehouses and count that, but we -- you know, it's pretty good and we believe that there were probably 95 percent or so were removed. But that has been our assessment from the beginning.

MS. MITCHELL: I want to ask you a related question about the war against ISIS in Syria and why it has taken so long and after a year-end, so much money is spent, we have such a small number of trained forces, it's something like a 4 percent success rate. Why is it so difficult to train fighters to go up against ISIS?

MR. CLAPPER: Well, it's not much so much training them; it's vetting them, and of course, the criterion here you have to remember is those fighters who are willing to go after ISIS, if you want to sign them up to go after Assad, no problem, but if it's only ISIS, which is what our policy has been, so the combination of finding people who are genuinely committed to doing that, and b, you can pass the pretty extensive vetting that the Department of Defense system -- Department of Defense has set up. And so that has been the difficulty that has been posed to us so far.

MS. MITCHELL: And on the Iraqi side of the border such as the border is, you still have an Iraqi army that turns and runs from Fallujah, turns and runs from Ramadi, from Mosul. What aside from using General Soleimani and Shia militia, what is the --

MR. CLAPPER: No, they're pretty good.

MS. MITCHELL: And so is that the solution?

MR. CLAPPER: Well, that is a serious problem with -- and more and more the Iraqi government itself has become dependent on the PMC, which is the collection of the militia forces, which unfortunately have been consistently more effective than the Iraqi security forces.

And I think -- you know there's been discussion about this and it kind of boils down to will to fight, which is a very hard thing to gauge ahead of time. It's not a function of equipping you or training, because we've certainly done that over a period of years generously with the Iraqi security forces. But they have not had that -- and there's all kind of other functional reasons for that, and what's happened is Prime Minister Abadi, who I think means well, understands what needs to be done, but has had great difficulty with bringing in the Sunnis as an effective part of his fighting force and increasingly relying on the militia's, which has been effective.

MS. MITCHELL: There's a lot of talk about the President's plan to close the Guantanamo prison. Is it realistic to think that that can be done?

MR. CLAPPER: Well, it's hard but not hopeless, I guess, to borrow a phrase here. The President committed to this, I think, his second day in office, that closing Guantanamo. And we are -- slowly have reduced the population there down to 116 and getting down to the hard-core cases where, you know, people have -- other countries have taken on detainees that had been repatriated. I think though that we're going to get down to a core set of 60 or so of that neighborhood that will not -- we can't repatriate and will have to be moved. Now obviously, the Congress gets a big vote here, and they've already established pretty high bar for certifying our assessment. The Secretary of Defense has certified this when we repatriated a detainee.

I will say that, and of course, a concern is return to the battlefield and the overall recidivist rate is about -- is running just about 30 percent. But since 2009 using the vetting process, the vetting series, the vetting system we've used, recidivist rate is just under 6 percent. So I think doing this has worked, but I think getting down to this last group is going to be tough. Now Senator McCain has been, I think, helpful here in trying to negotiate a plan and is awaiting one from the administration, which is being worked on.

MS. MITCHELL: I was asking questions of the Cuban Foreign Minister of the State Department on Monday, which was quite an experience, a first. And he is insistent that Cuba should get Guantanamo Bay back, the naval base, not the prison. And having looked it up, we leased it in 1901 under the Platt Act for \$14,000 a year, checks that Cuba has never cashed, because they don't want to acknowledge our role there as their source. How strategically important is that naval base for us?

MR. CLAPPER: Well, happily that's not an intelligence issue.

(Laughter)

MS. MITCHELL: No intelligence takes place there?

MR. CLAPPER: No, I mean it's not an issue where intelligence's got the equity, so. You know, I'm just down in the engine room, shoving intelligence coal and, you know, people on the bridge, they drive the ship and how fast it goes and they arrange the furniture on the decks. I'm just down the engine.

MS. MITCHELL: How many agencies are there, 16 agencies that you run?

MR. CLAPPER: Something like that.

(Laughter)

MS. MITCHELL: And looking back, do you think -- and you've been the most successful DNI I think that we've have --

MR. CLAPPER: Well, I don't know about that. I lasted longer --

MS. MITCHELL: Well, that's one measure of success in Washington.

(Laughter)

MS. MITCHELL: Was the post 9/11 "reforms" that created this amalgamation successful? Do you think it should be revisited or do you think it's all right?

MR. CLAPPER: Well, well, I hope not, you know, one major upheaval like that every 20 years was enough. The -- I mean, you know, we had 9/11, so let's reorganize. I'm not sure really, and we'll never know, because we can't go back and recreate it, whether we would have progressed as we have since 9/11, learned the lessons of 9/11, whether we had stood up the DNI or not. Obviously having worked pretty hard at it for the last five years,

I'd like to think that this was a good thing for the country.

I think there are things we had promoted by way of integration and collaboration across the community that make us better as a community where the sum is truly greater than the parts. And so I'd like to think that we are better for it by virtue of having done this now. Some of those cats that I'm supposed to be herding are here, so I mean you might want to ask them whether they agree with that or not.

(Laughter)

MS. MITCHELL: Some of them are sitting right there in the front row. There's been a lot of kerfuffle over Jonathan Pollard today and what we believe to be an accurate reporting that he comes up for what would be mandatory parole in November. He served his 30 years. But how do people within the community feel about this man who did such damage getting out?

MR. CLAPPER: Yeah, I think within the community, he's viewed very negatively even though, you know, a lot of people were around when all this happened have left the community, but there's still, I think, an institutional memory of it and it's quite negative. So he comes up, he was sent to prison for life in 1985, so 30 years, he comes up for parole and whatever the parole board procedures are, which I imagine will include perhaps a petition from the government, that's what will unfold in November.

MS. MITCHELL: So you have a say in any of that?

MR. CLAPPER: I don't know. I'll -- we'll have to see.

MS. MITCHELL: All right. I think we have time for some questions from the audience. I think they've been fairly restless and the lights are in my eyes, but I think I can see right here. Yes, sir.

MR. MARKS: Thank you. Director Clapper, thank

you for being here. My name is Jacob Marks. I'm a researcher at the project on Government Oversight and one of the Aspen scholars. What do you think is the value of intelligence community whistleblowers and what are your thoughts on extending whistleblower protections to intelligence community contractors? Thank you.

MR. CLAPPER: Well, the -- I think first of all, there needs to be a mechanism where a legitimate whistleblower can express himself or herself. And so, we have worked to create that environment which -- and that system, and of course, the challenge we have in the intelligence community is people won't whistle blow. We'd rather they didn't whistle blow with classified information that they exposed on their own. And so, there has to be a mechanism built that accommodates that, and so ours is overseen by-- again by the ICIG in the interest of autonomy and independence, certainly from me or, you know, command influences, as you call it in the military. And that will be -- and that's going to apply to our contractors as well.

MS. MITCHELL: Can I just ask a follow-up about Edward Snowden and whether there would be a way do you think for him to come back? Are there negotiations under way?

MR. CLAPPER: I don't know about that. That's a Department of Justice thing. Sure, I'm pretty happy to have him come back and stand trial.

(Laughter)

MS. MITCHELL: Yes, Chris Isham?

MR. CLAPPER: By the way, if I may, just let me add to that, not to be flippant about it. I could certainly understand Edward Snowden's concerns about what he considered, you know, jeopardy (inaudible) and privacy, and had that been all that had been exposed, I'd probably been okay with it or at least accepted it. But he exposed so many other things and did so much other damage that had nothing to do with surveillance or civil (inaudible) and privacy of citizens in this country, and that's my hang-up

with him.

MR. ISHAM: Chris Isham with CBS. Director Clapper, could -- a variation to the follow-up on the question that Andrea asked earlier about the wake of the Iran deal. Do you see any intelligence that Iran Islamic Republic will alter any of their behavior regarding support of terrorism or Hezbollah or the Houthis or any of their other activities in the region?

MR. CLAPPER: No, I don't. I guess, for me it kind of boils down to if you have a choice between having a state sponsor of terrorism who has a nuclear capability or a state sponsor of terrorism without a nuclear capability, I think I'd take the latter choice.

(Applause)

MR. CLAPPER: This is a lesser evil and I don't have any doubts, none of us do the IC, about Iranian behavior, the things they do in the region, the promotion of terrorism, their support of proxies like Hezbollah, there's no doubt about that and this agreement, in and of itself, I don't think is going to alter their behavior. At least, I have no expectation it will. Now, whether this agreement can be built on and, you know, looking to the future -- and you know, there's hope and option here, I don't know. But in and of itself, I don't see it changing their behavior in these other domains.

SPEAKER: Director Clapper, thank you for being here. Why does the intelligence community's definition of national security so often include the targeting of domestic political activists? Examples include recent reports from the Intercept and VICE News that the Department of Homeland Security has monitored Black Lives Matter protesters and Occupy protesters and past programs like COINTELPRO and Project Shamrock?

(Applause)

MR. CLAPPER: Well, there's been -- having been in the intelligence business a long time, 50-plus years, and I was a young pup in the '60s and '70s and South East

Asia is my world, and I went through all the Vietnam trauma, and unfortunately there is a history in the intelligence community of abuse, some of it in terms of spying on U.S. citizens, some of it, I think, was well-intended, but not maybe seriously considered in terms of its applications.

I don't know the specifics here on the cases you cite, but that's why we have so much oversight, you know, we earned it. That's why we had two dedicated committees in the Congress to oversee the intelligence community, and it's why we have a lot of other oversight bodies to try to prevent what some people considered to be abuses.

MS. ANDREA: Jennifer Griffin here in the front row.

MS. GRIFFIN: Thank you, Andrea. Director Clapper, can you just outline what the intelligence community's main concerns about the Iran deal are? What are your concerns?

MR. CLAPPER: Well, I mean, well, obviously the first concern is will they comply, and of course, we don't have a lot of data. I would cite the facts that on the interim agreement, the joint plan of action they did comply. They complied with that. So that would be the first thing, a, did they comply, and then b, how much, to what extent would they go to try to deceive us or conceal their activities.

And of course, that remains to be seen, you know, above the agreement and what their obligations will be particularly with respect to the IAEA, is pretty invasive, where we will be -- basically the entire industrial process will be visible to us. But the usual would be, okay, are they in compliance? The other thing I have to say is our ability to monitor, of course, depends on the capabilities we're given by the likes of the Congress on U.S. intelligence capabilities. So, I'm assuming that that would be sustained as well. So there's assumptions here, but going in, if they comply, you know, we're -- from an intelligence perspective, as I said earlier, we're in a good place.

SPEAKER: Thank you, sir. With intelligence reliance on satellites, how focused is the DNI on space situational awareness and how prepared are we to deal in a contestant environment in space?

MR. CLAPPER: Well, that's an excellent question and one I have to be a little guarded about because of our classification. But I'll just say this about that that both the Russians and the Chinese have embarked on very, very aggressive and impressive, and in some respects, disturbing capabilities in space. And they do it out of recognition of our heavy dependence on space, not just for our purposes and intelligence, but for all range of capabilities and communications, navigation, weather, et cetera.

And so, we obviously have seen that are embarked upon, "we" I say in this case, the intelligence community in partnership with Department of Defense, have embarked on a series of investment program. We're looking at the architecture today as we speak with a view towards altering it, to make it more resilient and more defensible.

MS. MITCHELL: All the way in the back. Well, let's -- we'll take you both. Let's --

MS. HARRIS: All right. Thank you. General Clapper, Gail Harris with the Foreign Policy Association. I was wondering if you -- you talked earlier about Russian capability versus intent. I was wondering if you would give your similar assessment on China. As you are aware, some of their actions of their military forces' harassment of the Japanese and so forth had been pretty aggressive of late.

MR. CLAPPER: That's right. The Chinese have been very aggressive, in particular, you know, in a regional context though, particularly with respect to the South China Sea, this -- their reclamation of thousands of acres in the Spratlys and Paracels, and the building hangars and docking facilities for vessels and aircraft is quite impressive. It's disturbing. The other countries

there will also have claims in the South China Sea.

And of course, the military modernization is also quite impressive. Virtually every dimension of their military, they are -- they have some modernization program to include their strategic capability - better command and control, more mobility, more hardening, more re-entry vehicles in their strategic missiles, et cetera. But they don't represent the magnitude of the threat particularly in a strategic context that the Russia does.

MS. MITCHELL: And yes?

MS. HARRIS: Director Clapper, back to the Iran deal, this agreement has done something impossible which is unite the most divisive Israeli society in great fear and concern about this agreement. I wanted to know if you think Israeli reactions are justified, exaggerated, appropriate? Really appreciate your opinion.

MS. MITCHELL: The question is that this agreement has united Israeli society which is usually so divisive and whether you think the Israeli reaction is exaggerated or justified? I think that's a fair --

MR. CLAPPER: Well, that's two separate things. I think it is in their minds not exaggerated. I was in Jerusalem not too long ago and had an interesting session with Prime Minister Netanyahu and there's no question about how strongly he feels about this deal. And I have to respect that. It's interesting, I think by and large our two intelligence communities, the Israeli intelligence enterprise and we, are pretty much in agreement on Iran's capabilities and intentions. But the Prime Minister and I think he represents a fair majority of Israeli citizens that are very, very concerned about it. They see it as an existential threat.

MS. MITCHELL: Could I follow it and just ask, is there anything that could be done unilaterally by Israel? The assumption has been in most quarters that they, without American help whether it's refueling or whatever, that they don't have the bunker buster bombs, that they could not do anything that would be

significantly --

MR. CLAPPER: I don't think -- they do have a capability. I don't think I should characterize it. I think the Prime Minister would really be upset with me if I did that.

(Laughter)

MS. MITCHELL: I wouldn't want to do that because I've been on the other end of that. Yes?

(Laughter)

SPEAKER: Kim (inaudible), Daily Biz and CNN. Director Clapper, you touched on this a little bit in answer to Andrea's first -- opening questions about the threat of ISIS. But could you characterize for us where you see ISIS and Al Qaeda now, core Al Qaeda plus AQAP as a threat both to the homeland and U.S. interests abroad?

MR. CLAPPER: Well, the threat from core Al Qaeda is vastly diminished from what it was, and that is because of the persistence of this oppression that a campaign that we've mounted against them. That's not to say that, you know, the ideology lives and certainly aspirationally, you know, they see us as the ultimate enemy.

So -- but in terms of proximate threat, I would view one of the chapters, if you will, or franchises specifically AQAP even though they're kind of consumed right now with what's going on Yemen with the Houthis as probably our most concerning Al Qaeda element in terms of threat to the homeland. That said though, I think in writ large that our greater concern is ISIL and its declaration and in fact the existence of their Caliphate as they are extending franchises or sub Caliphates, the most developed of one of which is in Libya.

MS. MITCHELL: What do you see as their strength in terms of being able to hold territory?

MR. CLAPPER: Well, there's -- they're holding

territory right now in Iraq and Syria although that has been diminished, that doesn't get a lot of publicity but they're not holding as much territory as say, last June. Other places, that's more problematic for them, they are not holding a great deal of territory, but they are there. And of course, that's -- in one sense it's a strength but it's also a vulnerability since having taken on in accouterment or trade of a nation state, then that poses some opportunities and vulnerabilities for us.

MR. CHAPPEL: Director Clapper, my name is Mark Chappell and I'm one of the Aspen Scholars here. Given how new the DNI is, what are some initiatives that you feel the I.C. would be best served in terms of coordination, be they shared budgets, IT infrastructure, and are there any authorities that you think the office needs in order to greater conduct the mission for which it was made?

MR. CLAPPER: Well, you touched on I think one of the strengths, if you will, I guess is trying to -- is to lead and orchestrate and shape the -- what's called the National Intelligence Program which funds all the national intelligence activities, the 16 cats. So, that I think is a, you know, an important authority of the DNI, particularly in the last -- now we're into the fourth year of reductions. And immediately after first five or six years after 9/11, every year the intelligence community got more money, more people, not all that hard from the management standpoint to deviate it up.

Now, we're in a much different mode within, of course, we're facing the specter fourth year in row here, of reductions. If we return to sequestration in 2016 which will be quite painful, in fact, quite devastating if in fact sequestration is imposed on, you know, not the government but it will affect the intelligence community big time.

You mentioned IT, this is a major initiative of -- that we've taken on, it's called ICITE, the Intelligence Community IT Enterprise. It's something we've talked about for years and years in the community and never done because we really weren't driven to it, and

that's to have a single IT architecture as opposed to what I would charitably call a confederation of steel pipes.

And so we're morphing into ICITE and I will assure you that we are way past the euphoria stage, what a great idea, this is and it is and now we're well into the passive aggressive resistance phase, which always accrue anytime you have changed. You know, it's hard. What drove this though was I asked our CFO, Chief Financial Officer, about four years ago, hey, about just toting up everything in the Congress of Justification books that's coded IT across the intelligence community, 23 percent of our budget was IT.

So, obviously if we're going to make savings, that had to be -- a long-term, that had to be the area and of course ultimately what we'll be doing here is to reduce our dependence on marching army of contractors we've had for years doing our IT support, one of whom by the way was Mr. Snowden. So, the effect of the -- the bumper sticker monitor here is tag the data, tag the people, and what this means is that we will know where our data is and what the data is and we'll know the bona fides of those with whom we're going to share it. So, when ICITE is fully implemented, it will promote both greater sharing and also greater security because of the security safeguards that are being built into this. Well, this is a huge thing for the intelligence community. It's a big idea.

MS. MITCHELL: Is that something you think can be done on your watch or is this one of the legacy things that you would --

MR. CLAPPER: Well--

MS. MITCHELL: -- want your successor?

MR. CLAPPER: Yes, that's obviously but one of the -- one of the major reasons that (inaudible) and my superb deputy and I are sticking around as long as we can is to instantiate ICITES will be too hard to turn off when we leave.

MS. MITCHELL: Is there a microphone there for

the middle?

SPEAKER: Director, for a long time there's been the idea of continuous evaluation or continuously monitoring people who hold security clearances.

MR. CLAPPER: Right.

SPEAKER: And after the Snowden release, there's renewed energy to put that in place, but it feels like the progress has been slow. I saw the most recent pact report that the DNI CE program hadn't met one of the milestones that it was supposed to have met to be in place.

MR. CLAPPER: Right.

SPEAKER: We heard all week, this week the counter intelligence impacted the OPM breach and the need to monitor these people much more carefully. And how do you see all the spilling and what's going to happen next?

MR. CLAPPER: Well, there is two dimensions to this, one is that an initiative to all the insider threat detection which is basically monitoring the electronic behavior of employees. And we're, at least in the IC, we're pretty far along on that capability, not fully implemented in all components, well along in the agencies, not so much in the smaller components. So -- which kind of serves one aspect of continuous evaluation.

The idea behind continuous evaluation, of course, is instead of doing an initial investigation when someone comes in to the community, and then in theory every five years doing what's called a periodic reinvestigation, for lots of reasons that has kind of gotten -- we've gotten way behind with this big backlogs because of the difficulties that OPM had with its primary investigatory contractor and some other challenges we've had that have set this back.

I think we're all on a path now to at least a minimum of seven data points involving employees and their behavior both on and off duty. But here's a concern I do have about this, this is going to require a lot of

education for the workforce because I worry that, you know, there's going to be too much big brother with -- too much big brotherism -- you know, this is like George Orwell, even to work in the community.

And so I don't want it to become an oppressive thing and so that's why we've had to do some serious thinking about how to implement, build, implement universally, by the way, anyone who has a top secret SAI clearance. And so -- and we've had our challenges as the pact minutes reflect. But I do think we know what we need to do and we're on a course, but we've had some setbacks here that have delayed things.

MS. MITCHELL: I think we have time for one more question. Okay.

MR. THOMPSON: Director Clapper, I'm Paul Thompson, I'm a professor at Penn State which is a small non-profit college in Pennsylvania. Back to your Herding Cats role, one of your key positions is to brief the President. I'm just curious, how often do you do that? Do you do it in person? Do you do it by paper? And just much access do you have?

MR. CLAPPER: The system we have today that, in fact, Robert Kardel in front row and I built when we first arrived five years ago, it works like this. This is what's called the PDB, the President's Daily Brief, which classically has been a hardcopy document that went to the President. Now, and thanks to a great measure to Robert, it's all -- we do it on iPad now, so which is kind of cool.

And so the President gets one of those every day to include when he's on the road. Additionally, when he's in town, either I and when Robert was part of the staff and now, Mike Dempsey, the Chairman's brother alternate during the week to also go into the Oval and brief other topics which either supplement or complement what's in the formal President's Daily Brief or other topics as that we see fit that he -- we think he needs to know.

President is a stood and veracious consumer of

intelligence, I have to say that. As well, of course, there are the series of meetings, Deputy's Committee meetings, Principle's Committee meetings and NSC meetings that the President chairs, all of which are started with and prompted by and driven by Intelligence. So the Intelligence support is quite thorough and quite pervasive.

MS. MITCHELL: And how difficult is it to live every day, minute by minute? How much do you worry about the next unknown out there?

MR. CLAPPER: Well, I'll tell a story. When was the Undersecretary of Defense for Intelligence for -- I did that for about three-and-a-half years before this job -- about every six weeks, I'd gather few people in the office on a Friday night and we'd have a drink, you know. I'd have a martini and couple of other people would have beer, wine, something like that. This job, every night.

(Applause)

MS. MITCHELL: Well, I just can't thank you enough for everyone here for such patience and such insights. We thank you so much.

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