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A CANDID CONVERSATION WITH THE DIRECTOR OF THE CIA

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LIST OF PARTICIPANTS

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DIRECTOR OF THE CIA

(5:00 p.m.)

MR. KENNEDY: Could you please take your seats? We're going to start in a second. Again, can you please take your seats? We're going to start in a second. Good afternoon, I'm Tom Kennedy, Chairman and CEO of the Raytheon Company. And before we start, I'd like to thank Walter, Clark and the Aspen Institute for a tremendous security forum. Can you give them a round of applause, please?

(Applause)

MR. KENNEDY: Now it's my honor to introduce our last session of the day, "A candid conversation with the Director of the Central Intelligence Agency, John Brennan." This is Director Brennan's debut appearance in Aspen and a rare interview in which he'll survey the global security scene and tell us how he sees it. He certainly brings the most unique perspective with his role in managing the CIA's intelligence, collection, analysis, covert action, counter-intelligence and relationships with foreign intelligence services. And he has been a part of nearly every significant national security decision of the Obama White House, with him serving as assistant to the President for the homeland security and counterterrorism during the first administration prior to heading up the CIA in the second administration.

Director Brennan began his service in government at the CIA spending 25 years in both all source analysis and clandestine operations. So when he returned to lead the CIA in 2013, he became the first CIA careerist to serve as director, a proud moment for the agency. Throughout his career, Director Brennan has honed a rare combination of thoughtful, careful analysis with the ability to make a decision with speed. He calls it like he sees it, he's forthright with strong core principles. He has also been at the forefront of change. Most recently, at the CIA where he has triggered the most sweeping organizational change in half a century.

Given the subject of global security, we're fortunate to have as moderator a top media expert, NPR counterterrorism correspondent, Dina Temple-Raston, who recently completed research on the intersection between big data and intelligence. So without further ado, let me turn it over to Dina and Mr. Brennan.

(Applause)

MS. TEMPLE-RASTON: Podium got no either. So thank you very much for coming, Director Brennan and since this is as we've said your first appearance here at the Aspen National Security Forum, I wonder if you were told that there is a small hazing ritual here for people who are in Greenwald Pavilion for the first time. Did Walter and Clark tell you? Maybe not. So what the ritual is, is you have to make news.

MR. BRENNAN: Yeah, no.

(Laughter)

MS. TEMPLE-RASTON: And I'm going to give you plenty to talk about so that you'll have an opportunity to do that, so I'll do my part.

MR. BRENNAN: I feel like I'm losing my innocence here in front of a large crowd, very intimidating.

MS. TEMPLE-RASTON: I'll be gentle. So --

(Laughter)

MS. TEMPLE-RASTON: So I wanted to talk to you about ISIS and cyber in Russia and China and Iran and Syria. So we should get through that pretty quickly.

MR. BRENNAN: Okay.

(Laughter)

MS. TEMPLE-RASTON: Eric Schmitt of the New York

-- yeah, look at your watch. So Eric Schmitt, the New York Times just wrote an article a couple of days ago that was talking about a trove of new intelligence that we found in Manbij, did I say that right? And Brett McGurk has said that it has offered new clues to foreign fighter flows related to ISIS. Some people have compared it to the Sinjar documents that were received quite some time ago. Could you talk a little bit about this trove of documents? Why they're important and how it might help stem the foreign fighter flow to ISIS?

MR. BRENNAN: Well, whenever we or elite forces are able to overrun terrorist compounds, we obviously want to gather up a lot of information. I think the best example of how successful that has been was at the Abbottabad compound when the -- the troops that went in there were able to take out, you know, bags upon bags of information in terms of documents as well as other materials whether they'd be computers or phones or whatever else. And so, Manbij, which is in the northern part of Syria where ISIL really had its roots dug in there and it was used as a place where terrorists would be able to go across the border, both into and out of Syria. It was the place where a lot of the foreign fighters were located and external operations, some of them were generated there.

And so, these assaults by the forces, the local forces there supported by the coalition and the U.S. military has been able to gain a fair amount of ground in that area in overrunning a number of those compounds. So that's -- it's called SSE, the Sensitive Site Exploitation. So materials are taken so that we can use that as intelligence, so we can find out who they are, what connections they have, where they come from, what type of contacts they have with other sources or whether be funding or weapons whatever else. So just like in a Abbottabad, the take in Manbij has the potential to really provide us new and additional insights that we can use to destroy ISIL.

MS. TEMPLE-RASTON: And are they dossiers of foreign fighters, where they're from, how they're connected or is that really --

MR. BRENNAN: Could be all of the above. It could be as I said, hard copy documents as well as phones or computers or other types of things. And so, the exploitation of that is very important. If it's text documents, you can sort of see it and read it, whatever sometimes, obviously a lot of translations because it's not just Arabic, there are lot of other languages that are spoken by a number of these individuals. But if it is some type of media, computers or phones, sometimes it takes a while to be able to exploit it because you need to be able to get into it. You need to be able to decrypt it if necessary, you need to be able to process it, translate it. And so, what we're trying to do is to make sure we're able to use that information in as timely a fashion as possible.

And so, it's not just in the Manbij area, it's in other areas of Syria and Iraq where coalition and support of the local fighters on the ground have been able to overrun these areas and we exploit it for intelligence purposes.

MS. TEMPLE-RASTON: Okay. So in the last session, Brett McGurk was just talking about Mosul and Raqqa and assaults that will happen there. And I want to ask you what happens after that happens to ISIS. If Raqqa is taken away from ISIS, if Mosul is taken away from ISIS, is there a stabilization plan and does ISIS become in a sense more of an intelligence problem than a military problem because instead of being in one place that the military can watch or surround, they scatter. Does it become more of a problem for people in your agency?

MR. BRENNAN: Well, thinking about Raqqa and Mosul, they are much larger than Manbij. And Manbij has been a tough fight and it's street to street fighting in Manbij city. And the area around Manbij city also is infested with the ISIL terrorists. Raqqa, couple of 100,000 folks, Mosul, over a million, and I don't think ISIL is just going to evacuate. Maybe they will, they may try to find refuge somewhere else so they can use another area to launch their attacks. But I think it's going to take some time, it's going to be tough fighting.

And as you point out, one of the challenges going to be is once it's assaulted and once it's liberated, what type of security forces going to be able to come in? What type of reconstruction effort is going to be able to be undertaken? How we're going to ensure that the people, the inhabitants there are going to be able to return and live normal lives? And so, the amount of destruction that has taken place in Syria, it is been devastating and trying to repair that country as well as Iraq. And so if there's going to be an assault on Raqqa and Mosul, you're going to have unfortunately a lot more damage, you're going to have a lot more casualties.

And then the rebuilding process, both from a security standpoint as well as the construction work that has to go on, the health needs of the people. And one of the most devastating aspects of this conflict is that we've lost an entire generation of individuals. Syrians and Iraqis who have not been able to go to school, they've been brought up in an environment of militarism, violence, that's all they know. They don't have any skills that they can use when hopefully peace is going to return to those countries.

So this is a long problem, long-term problem in terms of making sure that we're able to provide the security that is necessary, working with the local forces. But then having a plan as far as stabilization, security, rebuilding, administration and then having governments in the capitals that are going to truly represent the multi-confessional, multisectarian nature of the people that are there that has been the root of this problem.

MS. TEMPLE-RASTON: And do you see it as being a problem that suddenly they'll be spread out in more places and more difficult or are they more difficult to track or are they already like that, so it's sort of it's more they have to be other --

MR. BRENNAN: Right now they have geographically disbursed themselves in both Iraq and in Syria. I think they have large swaths of territory under their control. And more and more of that is being liberated. I think

we've made some great progress over the past year. They're going to scatter not just in the theater there, but outside. There are number of ISIL franchises that have already been established in the Sinai in Egypt and Nigeria are the areas we have their presence, in South Asia and Southeast Asia.

This is more of a global menace than Al-Qaeda, quite frankly ever was. Al-Qaeda at its height had, you know, thousands of individuals and much more the number of hardcore fighters. ISIL is not just a terrorist organization in terms of perpetrating these terrific attacks outside, it is a military organization. It has, you know, established its, you know, its own government. It has control over these very large areas and it also has utilized the digital domain in ways far superior to Al-Qaeda.

This generation of terrorists within ISIL are ones that have grown up in a technologically rich world. And so they have made very sophisticated use of all the different types of apps and communication systems, and they have put together a structure and infrastructure in Syria and Iraq that really is quite difficult to attack and uncover. And so, the world can be their playground, in many respects unfortunately. And they've been able to find ways in Africa and Asia and Europe to be able to exploit opportunities in those countries.

One of the reasons why a number of the ISIL franchises have really been able to gain momentum quickly is that they've been able to leverage existing organizations. For example, in Nigeria with Boko Haram, now it's Islamic State of West Africa. Inside of Egypt, there was a group called Bayt al-Maqdis that was responsible for a number of attacks in Sinai. They then raised the ISIL flag and were able to bring down a Russian airliner soon thereafter.

So ISIL has been this phenomenon and that has gained such traction in such speed that has dwarfed Al-Qaeda's presence. Now that doesn't mean that Al-Qaeda is not still a very serious institutive threat, they are. They still have people, whether it'd be Afghan-Pak region,

Syria, there is Al-Qaeda in Syria called Jabhat al-Nusra as well as in Yemen. So we're seeing now a -- the phenomenon of ISIL, the continued challenge of Al-Qaeda that is really destroying not just people and places, but also generations that are just on the verge of coming into the modern day economy.

MS. TEMPLE-RASTON: Well, since you bring up ISIL and Al-Qaeda in sort of the same sentence, when ISIL first started growing up, one of the things that we were talking about in the terrorism analysis community was, was there ever going to be a competition between Al-Qaeda and ISIS? What was that competition going to look like? Was one going to try and have a bigger attack than the other? Were they going to end up cooperating together? How do you see that playing out? Is there a competition? Are we beginning to see the beginnings of it?

MR. BRENNAN: I think there has been competition for last several years. I think as you know, ISIL used to be Al-Qaeda in Iraq. And then it was, you know, Al-Qaeda in the Levant and the Al-Qaeda elements within Iraq and Syria had merged, and we have one organization. And then there was a split within the organization which, led to Jabhat al-Nusra Al-Qaeda in Syria and ISIL. And so there is great competition between their leadership. There's also competition between the rank and file.

Now in some areas, they will collaborate on the battle fields. And we see in places not just in Syria where there has been this tactical cooperation at times.

MS. TEMPLE-RASTON: For example, where?

MR. BRENNAN: Well, in areas where they both are facing Syrian regime forces. It doesn't mean that they work together in the battlefield. It may mean that ISIL is on one side, Jabhat al-Nusra is on another side, and so the efforts --

MS. TEMPLE-RASTON: And they're not shooting at each other?

MR. BRENNAN: They're not shooting at each

other, they're shooting at a common enemy.

MS. TEMPLE-RASTON: Right.

MR. BRENNAN: But we also see in places like Yemen where ISIL has a foothold and Al-Qaeda has several thousand individuals there that have launched an insurgency, there is cooperation among a number of individuals there. So I don't see these organizations merging. I do think that they're still going to be a separation among them. But if there's going to be leadership change, you will see that I think some of the elements of both will find ways to come together to go against the common enemy. And the common enemy can be Shia, which is another distinguishing feature of ISIL.

Al-Qaeda really never had a great anti-Shia part of its terrorist engine. It was always focused on the west, United States and western influence. Al-Qaeda and ISIL and Iraq really has been driven a lot by the alienation that a lot of the Sunni community feel inside of Iraq from a government in Baghdad that they believe is Shia dominated, manipulated by Iran and has not taken into account the needs of the very large number of Sunnis within Iraq. So I think you're going to have these, you know, fissures and competitions between the various groups because either they have different agendas ideologically, and ISIL is -- has carried out obviously much more horrific attacks in some respects than Al-Qaeda. In fact Al-Qaeda has condemned some of the attacks that ISIL has carried out.

MS. TEMPLE-RASTON: As they did it AQI?

MR. BRENNAN: Yeah. Uh-huh.

MS. TEMPLE-RASTON: So if you were a fly on the wall of Al-Qaeda's next board meeting, presumably before the drone strike took place --

(Laughter)

MS. TEMPLE-RASTON: -- what do you think al-Zawahiri would be telling his management team right now?

MR. BRENNAN: I would remind them that as Osama Bin Laden said, this is a long game. Al-Qaeda is means the foundation. It is the foundation upon which the rest of this crusade -- I have to use that term for them, the crusade is going to spring from. So we knew it's going to be a long game. We've been at this now for 25 years or so. But we need to make sure that we're not going to be dwarfed and put in the background as ISIL has gained this attention, attraction and has been able to generate a lot of support within the Muslim community.

So I think that if I was al-Zawahiri, I would be telling folks we need to stick with our game plan, but we need to operationalize more of it. We need to be able to move forward with getting some attention and fulfilling the vision of Bin Laden in terms of striking against the west, striking against those influences that are corrupting the Muslim community. So I think he realizes that he's not able to compete in so many respects on the global stage with ISIL right now, but that he wants to make sure that their strategic plan is going to be pursued with the adherence that they have in a number of areas and countries.

MS. TEMPLE-RASTON: So what ISIL is renowned for now is these small attacks that have ripple effects that -- that make them, maybe not -- there isn't a big body count, although there was in Paris, but rather it gives a huge impression even if there are only a dozen people who have died, whereas Al-Qaeda is known for its -- its big attacks. Is Al-Qaeda still trying for that big attack?

MR. BRENNAN: The challenge for the counterterrorism community, whether you talk about ISIL or Al-Qaeda, we have to be prepared and deal with those attacks that can take place very quickly with very little planning as well as those plots that are intended to have strategic impact and take multiple years and usually take a lot of people. I think Al-Qaeda at this point is still, you know, not given up on the larger attacks. But when we look at Al-Qaeda inside of Syria, they are looking at how they can in fact carryout an attack given the increased security, for example, in Europe. We know that Al-Qaeda

continues to have adherence and supporters and people in Europe as well as in Africa and Asia.

So I wouldn't say, it's -- it's one or the other. The challenge with ISIL really has been that they've compressed the execution period of carrying out attack significantly, like 9/11 attack took a long time, it was very deliberate, the planning. ISIL has been able to compress into weeks or months the ability to have an idea or have a person who is positioned to do something and to carry it out. As you said, you know, a number of these are very limited in terms of who is involved, but if you look at, you know, some of the attacks that's -- they can kill, you know, dozens upon dozens of people. And I think they see that operational cadence being very important that they don't want to have long lag times in between attacks and they want attacks to take place in different places, but to maintain their -- the notoriety and the headlines.

MS. TEMPLE-RASTON: Well, I think this is one of the issues too that in trying to cover ISIS and its attacks, it seems that in the old days, in Al-Qaeda days, you used to have to actually go to a camp and train and you used to have religious training with Al-Qaeda and swear bay'at to Osama Bin Laden. But it seems that people get credit for being an ISIS adherent just by having a brief flirtation online with the group. And I wonder if by calling something an ISIS attack so readily, which we seem to do, whether or not we are giving ISIS more credit than it deserves.

MR. BRENNAN: When you say calling something an ISIS attack that we are prone to do, you're talking about the media, right?

(Laughter)

(Applause)

MS. TEMPLE-RASTON: No.

(Laughter)

MR. BRENNAN: I --

MS. TEMPLE-RASTON: I just wonder if you can say that it's an opportunistic attack as opposed to an ISIS-inspired attack.

MR. BRENNAN: Well, I think as you point out, Al-Qaeda, there was almost a -- talk about hazing, there was almost a rite of passage in order to belong to Al-Qaeda. You had to almost apply and you had to be vetted and you were then part of the secret club. ISIL is much different. You don't have to have that type of sort of application process. It is they have trumpeted, you know, who they are and they want to have adherence whether or not you are with us in this theater or you're far away. You can demonstrate your adherence and your allegiance to what it is what we are trying to do by your actions alone. And that's why they have made great use of the Internet in terms of directing people, encouraging people, giving them instruction about how these attacks can take place.

And so when something happens and we look and see whether ISIL is going to claim credit for it, sometimes I think ISIL doesn't know themselves, and I think most times they don't. If somebody who has been incited and encouraged by ISIL, they have no idea if that was the real motivation. Even if somebody is found with literature in their apartment that might reflect, you know, sort of ISIL's, you know, narrative, that doesn't mean that they carried out for that and may mean that they, you know, woke up that day and wanted to commit suicide and wanted to take others down with them.

But it is part of ISIL's strategy to have people that they can deploy directly, that they can support directly as well as to encourage and provide indirect direction and incitement to individuals. So they will claim credit for a lot of things and they feel as though this is part of their brand as opposed to Al-Qaeda which I haven't seen Al-Qaeda really try to embrace actions that were taken that didn't have Al-Qaeda's foot -- fingerprints operatives or somebody as part of it.

MS. TEMPLE-RASTON: And that was always Al-

Qaeda's rules of the road, right, that attacks needed to be certified by the center in some way.

MR. BRENNAN: Yeah. And as we saw, including from some of the materials that were taken from the Abbottabad compound, Bin Laden was very concerned about the large number of Muslims that were dying in Al-Qaeda attacks and felt as though the Al-Qaeda brand was really tarnished as a result of that and were trying to have them be much more surgical so they wouldn't go after Muslims, they would go after, in their view, the non-believers. ISIL as we see has killed in very, you know, demonstrable ways Muslims of all different stripes and not just Shia, Sunnis who they believe are, you know, apostates because they have not joined the ISIL bandwagon.

So, you know, they have a very broad aperture in terms of who is eligible to be killed as part of their terrorist agenda. While I think Al-Qaeda is willing to absorb collateral deaths, but the focus of it, I think, is still that sort of Western influence that they believe has pervaded their communities.

MS. TEMPLE-RASTON: So let me shift gears just a little bit. We've been talking a lot about Syria while we've been here the last couple of days. As you see it, what's the endgame there?

MR. BRENNAN: Boy, I hope there's an endgame in Syria, I really do because of the destruction that has taken place in that country and it is a remarkable and beautiful country and it certainly was beautiful people that has been now besot by this. I believe that there's going to be no endgame even in sight as long as Bashar Assad stays in Damascus because he is, in large part, the reason why so many Syrians are fighting. And when I'm talking about the Syrians, I'm talking about, you know, good, bad and the ugly. Whether or not you're talking about the Free Syrian Army, those that defected from the Syrian government and the army to fight against the dictator who was lobbying Scud missiles and chemical shells on to these people, but also all of those who have taken up the terrorist or extremist banner as well.

So we need to be able to have some sense that Assad is on the way out. There can be a transition period, but it needs to be clear that he is not part of Syria's future. Until that happens, until there is at least the beginning or the acknowledgement of that transition, you're going to have Syrians dying, continue to die, because they -- many of them are trying to reclaim that country for the good of Syria's future, but many of them also want Syria to be the safe haven for terrorists.

So I don't know whether or not Syria can be put back together again. Whether it's going to be some type of confederal structure where the various confessional groups are going to have the lead in governing their portions of the country, we've looked at the different parts of the country and which ones could be self-sustaining, which ones would rely so much on sort of external assistance. Most of the people in Syria are in that western spine of the country, the large portions of the eastern part of the Syria are desert and limited urban centers.

So I don't think also you're going to be able to have some semblance of tranquility in Syria until you're also able to address the Iraq issue. And that's why I think this administration, President Obama, gets a lot of credit for trying to look at what we need to do in both countries so that they can -- what we're doing is going to be complementary to this effort. But we're still a long way from having, I think, the governments in both capitals that are going to be viewed by the bulk of the population as being representative of the peoples of both countries.

And Syria has a much greater mix of individuals in terms of religions and backgrounds and ethnicities than Iraq does, I mean Iraq still has quite a few but in that western portion of Syria. Years ago they would live side-by-side, Christians and Shia and Sunni and even Jews that were there. But there's been so much blood spilled, I don't know whether or not we're going to be able to get back to that in certainly my lifetime.

MS. TEMPLE-RASTON: Do you think the Russians want a solution there?

MR. BRENNAN: The Russians, yes, I think they want a solution on their terms. They want to preserve their more than 50-year investment in Syria. They have a legitimate concern about terrorism emanating from that area. There are several thousand Russian citizens that have found their way into Syria and Iraq, you know, foreign fighters, probably another 5,000 or so from the former Soviet Republics that are down there.

So terrorism is a concern and they see what is happening. At the same time, they want to keep Bashar Assad regime in power. And we've worked with the Russians and we're continuing to try to work with the Russians to convince them that there needs to be a political path into the future for Syria because this is not going to be resolved in the battlefield. You know, several hundred thousand individuals have died as a result of this conflict and if Assad stays there, I think we're going to see more carnage. There needs to be some way out.

So I think the Russians need to come to terms with the fact that Assad has to go, not -- we don't want him to go overnight. The last thing the U.S. government wants is for the government in Damascus to implode. We don't want a collapse of the government. We want to maintain the institutions of governance because they are the ones who are going to have to pick up the pieces. But Assad has lost all legitimacy, all right to leading the Syrian people. And as soon as he starts heading toward the exit ramp, I think we're going to make progress so that we can use the guns that are fighting with each other now, like the Free Syrian Army against the Syrian military, use those guns and that energy against the terrorists so we can purge that area. But that's why I think what we're trying to do is work the military front or the security front as well as the political front. And I wish the Russians would pay more attention to the political front.

MS. TEMPLE-RASTON: So there's been a debate that's basically been going on for the past couple of days here in Aspen over whether Putin is a tactical thinker or a strategic thinker.

MR. BRENNAN: He's a misguided thinker.

(Laughter)

MS. TEMPLE-RASTON: That's not a choice.

(Laughter)

MR. BRENNAN: I know. Okay, then he is in the tactical side of the thinking arena.

MS. TEMPLE-RASTON: So help us understand Putin a little better, because I would think that if he was a strategic thinker you could try to anticipate what he was going to do. But if he's a tactical thicker, doesn't that make it harder for you to try, you in the intelligence community, to try to anticipate what he'll do next?

MR. BRENNAN: Right. And what we try to do in the intelligence community, whether it's a Putin or somebody else, we identify what are the factors, what are the drivers behind his actions, what are the considerations in terms of what he's trying to achieve. So you look at Ukraine. It was an emotional reaction there. He was very concerned that Ukraine was drifting westward, it was going to join the EU and NATO, whatever, and he was going to stop it at whatever cost, so he was able to go into Crimea and basically annex it and then take control through the separatists of eastern part of Ukraine.

Now sanctions are still in place against Russia. It continues to face serious economic problems, we're no closer to having a solution inside of Ukraine and so where does he go from here? Well, he's hoping that over time that the west and Europe and the United States are going to get tired with the sanctions regime. No. Now in Syria, he moved into Syria in September of last year with major military force to stop the collapse of the Assad regime and the Assad regime was really on its back heels and the opposition was doing much better. So he's in there now and he's trying to buck up and he has improved the position of the regime forces on the battlefield. But

where is he going from here? What is he going to do as far as the political steps that are going to try to address the longer term and strategic challenges that -- that he and we face so that he can preserve his interests?

Syria is the most complicated issue I've ever had to deal with in my national security career, bar none, because there are so many internal, external actors, so many factors, a lot of our objectives are in direct tension with one another. But I see Putin playing checkers here when this really is a five dimensional chess game, and you really need to be very careful and deliver it in terms of how you move your pieces because it will affect your position and one of these other strada. And I don't see Putin doing that. I think he's used brute force, whether you talk about Ukraine, you're talking about Syria. And he's hoping that the chips are going to fall in the right place. Now, I think he's been able to achieve a fair amount of tactical progress, but as far as the longer term effort, my money's still on the United States.

MS. TEMPLE-RASTON: And the longer term effort, how would you explain what that is?

MR. BRENNAN: How we're going to bring some type of law and order and security to Syria and Iraq, as well as the broader Middle East so that those countries and those people along with Russia and the United States and the rest the world are able to operate in that area to common advantage as opposed to feeding the forces of extremism and terrorism and militarism. And again, I think that based on his background, KGB background, I think he is somebody who always wants to use force and not use maybe a more strategic and thoughtful approach on this. And so I have interacted with my Russian counterparts, I was up in Moscow a couple of months ago trying to again convince them that we, the United States are really serious about trying to bring this conflict to a close, but it has to be one that is not just going to be a near-term solution and keep the embers burning because that's just going to lead to even greater problems in the future.

MS. TEMPLE-RASTON: And did you feel you made much progress in convincing yourself]?

MR. BRENNEN: No.

(Laughter)

MR. BRENNAN: Some -- I think we were making some progress. Unfortunately, I think when the Russians saw that we've been in a cessation of hostilities believe it or not in Syria for the past several months, if anything but in lot of the areas. The regime forces including the Russians, the Iranians, Syrians and Hezbollah continue to strangle Aleppo and to cut it off from the outside world.

And I think when the Russians saw that they could make progress on the battlefield during the period of cessation they wanted to continue to push the advantage on the battlefield while still discussing the political aspects of this with us. And I think I have not been convinced that the Russians are serious about following through on some of the commitments they made, whether it be in the cessation of hostilities or some of these other understandings that we are trying to reach that is going to bring the level of violence down.

I think they stalk a good game, but I have not seen them follow through with a genuine interest in what is good for that country as opposed to what is good for them.

MS. TEMPLE-RASTON: Okay. Staying on Russia, I mean, it's clear that Russia has tried to influence elections in the past, just as in Germany in France. If this DNC hack proves to be Russia, is that a game changer for you? How would be -- how would intelligence be -- play a role in responding to that?

MR. BRENNEN: Well, let me first say that and with all the press reports that are out there about the hacking and exposes gone on in the various networks, anytime there is hacking like that and release of proprietary information, it is a crime. And so, the

legitimate organization, the right organization in the U.S. government to investigate such a crime is law enforcement and the FBI, working with the other entities.

And so that is undergoing the investigation and who is responsible for whatever happened there I think is to be determined. I know a lot of people are jumping to conclusions there. But I do think that we need to take stock of who is responsible for this. And as I think the government as well as others have been saying for the past number of years, the capabilities of foreign actors, whether they be nation states, sub-national actors, companies that are working on behalf of governments are able to carry out these cyber activities that can disable, that can destroy, that can manipulate our systems and our networks.

And so therefore, as we're moving more and more into this Internet of Things where we're all going to be interconnected, the vulnerabilities that exist are significant and this is the domain where most human activity takes place right now. And so as a country, as a government, as a people, we need to be mindful of the havoc that could be wrought not just in terms of taking down electric grid, but in terms of the potential to manipulate the foundation of our democracy, which is an election.

So we really need to make sure that we as a people agree and reach a consensus on what the government's role along with the private sector should be to safeguard that environment that holds our security and our prosperity within it. And if we're not able to reach that consensus, I think we're going to be facing these serious challenges and threats. And that's why as there was this great debate between a certain law enforcement national agency and a certain private sector organization about encryption that is just symptomatic of the issue that we have to grapple with. What is the right of the government? If we're a country of laws and if rule of law prevails, what should the government be able to do and be able to access in order to protect the welfare of its citizenry?

It's not as though CIA and NSA and FBI officers are out there wanting to get into somebody's e-mail account and read it. We want to be able to ensure the protection of civil liberties and privacy rights, while at the same time safeguarding the system that everybody's lives are attached to. And just like over the years when we were able to determine what's the role of law enforcement on this, our streets what's the role of the government to keep our airports and our aircrafts safe, and in the maritime arena, same way is the digital domain which is the new frontier.

But there is -- the sense of it's you know, the government is trying to intrude upon us. No, the government -- who is the government? This attitude of sort of we -- understand, I'm a guy from New Jersey. You know, I love this country and I love the work that I do. I've the best job in the world. And I'm trying to make sure that my children, my grandchildren are going to be able to use this digital environment for their future security and prosperity.

And unfortunately, I think there has been a real misrepresentation and mischaracterization of what the government is trying to do. And I've heard some senior technologists and others say, when the government says there shouldn't be encryption, that's the last thing the government says. The government wants strong encryption. At the same time, the government wants to be able to carry out its fundamental responsibility of protecting for the welfare of its people.

And until we actually have this very honest discussion and where the government and the private sector are able to work together because there's not a government solution, that digital domain is owned and operated 90% by the private sector. This is going to be groundbreaking in terms of how the government and the private sector need to work together in order to ensure the common good.

MS. TEMPLE-RASTON: So do you think the conversation between the FBI and Apple over encryption was a healthy conversation to start?

MR. BRENNEN: It started but I must say there was the polarization there in terms of people were -- again misrepresented what Jim Connelly wanted to do. Talking about, you want a back door, you want all of this, no we want to deal with technologies now that can make impenetrable systems that terrorists and others can't take advantage of.

So when a -- if a judge issues a writ that says a safety deposit box in a bank must be opened up because there's something in there either inculpatory, exculpatory of the crime or something that's going to allow us to prevent a crime, the bank owner has a legal obligation to open it up. Same thing with a warehouse owner, or somebody who owns an apartment building.

Now private sector companies are getting the ability to say to the government and to the courts and to our system of laws, no, I'm going to determine what the government is going to be able to see or not. No --

MS. TEMPLE-RASTON: Well, we think they're going to get that ability. We don't know yet, right because it hasn't really been tested?

MR. BRENNEN: And people say that well, if you have a technology that is -- allows the government to do that then everybody is going to exploit the vulnerability.

MS. TEMPLE-RASTON: Right.

MR. BRENNEN: It's a legitimate question and issue that needs to be addressed. But let's do it without the sort of reckless accusations about what the government is trying to do, no. And people say, well, if the U.S. companies are going to be limited in terms of what they can do and has to make it available then, our foreign competitors are going to seize that field.

Oh, come on, the U.S. basically is the predominant country in this digital environment and right now Russia and China are not rules of law. And so, this is a country that firmly believes in the rule of law, otherwise chaos is going to reign. And if we want chaos

to reign, okay let the cyber environment go and let the terrorists and the extremists and the criminals and the pedophiles and others have their way in that environment. And I don't think that's the world and the country that we want to live in.

(Applause)

MS. TEMPLE-RASTON: So I just want to turn to one more thing, and then we'll go to questions. And you mentioned China, and we haven't talked very much about China the last couple of days here at the security forum. And it's been an adversary in two big areas; one on the hacking issue and the other in the South China Sea. So how is your agency working those two issues and can you talk a little bit about how your new digital directorate plays a role in that?

MR. BRENNEN: We established a digital directorate because that digital environment affects our profession just the way it affects everybody's lives. And so how we operate around the world, we have the responsibility --

MS. TEMPLE-RASTON: Can you explain what the digital directorate is?

MR. BRENNEN: The digital directorate is the unit within the CIA that has responsibility not just for protecting our systems and networks and databases, but also being able to understand all the implications of that digital environment. So we have to operate clandestinely around the world. In order to do that clandestinely, you don't want to have your identity of CIA revealed.

But now with all the biometrics that are out there and the CCTVs that are out there as well as any time you use your ATM or you use your credit card, you create digital dust. And we all have forensic history that we continue to accrue everyday that we're operating in terms of where we do something, what we do. So agency officers when they come in to the agency as new employees, they already have a digital history.

And sometimes we operate under different types of cover legends.

MS. TEMPLE-RASTON: Right.

MR. BRENNAN: We need to make sure that their forensic history, their digital history matches their cover legend as opposed to exposing them as a CIA officer, in terms of where they worked, where they trained whatever. That's just one example of this digital environment has fundamentally affected our ability to carry out our work.

And so, there's digital environment is -- directorate is the one that has responsibility to be thinking about what are the risks, what are the threats, what are the challenges, but also what are the opportunities. And I think for too long the intel community was pushing off technology and saying, no we need to stay clear of it. But by staying clear of it, the absence of your presence in that digital environment is very revealing. The absence of your activity means that you are not like others who you turn to.

MS. TEMPLE-RASTON: Right, so you are not posting a lot of Facebook and tweeting and things?

MR. BRENNAN: Well, that's a good point because we don't want our officers out there, but the officers who are not out there on Facebook or Twitter, they look different than maybe their counterparts in other places. So these are issues that we're having to grapple with and that's why we wanted to have a place of really smart people who're thinking about how we can continue to fulfill our responsibilities in this digital environment.

Now with China, they have this rapacious appetite on virtually everything in terms of commercial, trade, business around the world as we well know. And that digital environment is one that they readily exploit. And we have called them on it a number of times in terms of the types of things that they're doing to just rake up and vacuum up things that they're going to advance their economic interests, their commercial interests.

Now we all operate in that environment, but there are some things that are considered to be sort of -- you know off limits. And so we've had serious conversations with them at the highest levels of government. Whether or not now they're not doing it as much, whether they're being more careful when they do it because I think there was a bit of sloppiness on the part of some of them and that's why they were caught. But if they're doing things against U.S. companies or in U.S. soil here they're breaking a law and good on the FBI for holding individuals who are participating in that accountable.

One of the real challenges in the cyber realm is that a lot of times these nation states or countries will use a couple of cutouts so its two or three hops before you get back to the intelligence agency whatever that is doing and say aha. But it's attenuated so it's much more difficult for attribution purposes.

MS. TEMPLE-RASTON: Right.

MR. BRENNEN: South China Sea, I was out in Singapore about six weeks ago or so, at the Shangri-La Conference and met with all my ASEAN my Southeast Asian counterparts; talking to them about the United States although we have all these other issues we're grappling with, we still believe very strongly in our interest in Asia and our relationships with our partners and our allies out there.

And with the South China Sea issue, China and a number of countries have disputed claims over these either islands or out droppings in the sea. And China is inherent to a lot of the sea treaty and there is a mechanism for resolution of disputes. They refused to acknowledge that, that's the recent ruling that came out in favor of the Philippines.

Now a big country like China and a lot of the smaller countries in Southeast Asia, how fair is that in terms of dispute resolution unless you have an independent third party. And United States has come out very strongly

to say, there needs to be some mechanism that is going to be fair, that is going to take the rights in claimants -- of the claimants into consideration and put forth its ruling. And it does have the force of international law. And so, we continue to engage with our partners out there and there's senior level discussions taking place between the U.S. government and the Chinese government.

And hopefully these issues will be resolved peacefully. But we are not ignoring, we're not turning away in any respect. China in fact as President Obama said, we have an Asia pivot to make sure that our presence in all of its dimensions; political, economic, military, security is felt by the folks out there.

MS. TEMPLE-RASTON: Let me take you back just briefly to digital dust and in particular the hacking of the OPM files and the 21 million pieces of information that disappeared from OPM's files. Does that make it harder to have someone who is in your agency do their work enter China? Have you seen any sort of blow back from that that their digital dust basically is now in the hands of someone else?

MR. BRENNEN: Any type of pillaging of U.S. data systems, federal government data systems is a problem for government agencies, whether or not it's identifying information about individuals or programs or the work that we're doing. And so, the OPM was a very good example of a very large scale theft of data that was proprietary to the U.S. government.

But a lot of the legacy practices and databases that were put in place when computers first came on board remain today. And trying to protect them and now change a lot of your business practices overnight because of the vulnerabilities and the ability of these countries and others to ravage them, it takes time. The federal government is a big, big organization, an enterprise and so what we're trying to do and the work that is being done by the White House, Lisa Monaco is here, has the lead for the White House on the cyber front, I think making a lot of progress on trying to better protect our systems so that we have confidence that they are not going to be

stolen and then used against us.

MS. TEMPLE-RASTON: So, you haven't seen any indication that so far it's been used against people who work for your agency who are trying to travel around?

MR. BRENNAN: We are tracking that and other issues very closely.

(Laughter)

MS. TEMPLE-RASTON: Okay. Did you want to say more about that?

MR. BRENNAN: Not to you.

MS. TEMPLE-RASTON: Not to me, okay. Okay. Just really quickly, I wanted to just ask a quick question about Iran and then we'll go to questions. Given the agreement that's occurred, do you see a change in the conversation or tenor in the conversation, are you experiencing any change as a result of the nuclear agreement?

MR. BRENNAN: I think it was the right thing to do in terms of preventing Iran from pursuing these nuclear weapons program. It was a boost for President Rouhani who we consider to be much more moderate than a lot of other elements within the Iranian government. He needs to have continued traction in order to gain more supports, there is tension between hardliners and moderators within the Iranian government. When we talk about Iran, frequently people consider it a monolith, it's not a monolith, just like the U.S. political system, there are differences within the environment.

And so we are going to -- we are watching this very carefully as they go to their presidential election next year in terms of how this balance and this tension that exists within the government. But Rouhani, I think has demonstrated his interest in bringing Iran back into the community nations. My concern is that I think a lot of Iranians were thinking that there was going to be a windfall in their personal lives as the monies was freed

up. This is going to take time. The money, the revenue that's flowing into Iran is being used to support its currency, to provide monies to the departments and agencies, build up its infrastructure. And so, it's going to be a while before the effects are felt more broadly among the Iranian people. It will happen, but it is going to take some time.

MS. TEMPLE-RASTON: And are you and people in your agency feeling any effects? Does it seem like the relationship is more positive or is it too early to tell?

MR. BRENNAN: My relationship with the Iranians?

MS. TEMPLE-RASTON: Yes.

MR. BRENNAN: I don't have a relationship with Iranians. So it hasn't been affected one way.

MS. TEMPLE-RASTON: It hasn't, yeah.

(Laughter)

MS. TEMPLE-RASTON: Do you feel a difference in the tenor of the relationship or not particularly?

MR. BRENNAN: In the tenor of relationship, there is still a lot of discussions going on between United States government and Iranian government on a number of outstanding issues to include how the international financial system is going to be able to now react to an Iran that is less encumbered by sanctions. So there is a dialogue, there are frustrations certainly in the Iranian side, but I do think that so far the adherence has been good to the negotiated agreement. So, I do believe that things are moving positively, slowly but positively.

MS. TEMPLE-RASTON: Okay, fair enough. So, let's have some questions and if you could wait until the microphone comes to you and say who you are and make sure it's a question, that would be awesome. We will start with Ken.

MR. DILANIAN: Thanks Dina. Director Brennan, thanks for doing this. Ken Dilanian with NBC News. Can I just press you a bit on the hacks because as we have been sitting here, the news is broken that the Hillary Clinton campaign was hacked and government officials are telling us and other news organizations that there is really not any doubt that Russian intelligence was behind this, that the only question is whether they leaked it to WikiLeaks. And understanding that you are not going to comment on classified intelligence sitting here at this podium, can you at least talk to the question of, if a foreign adversary is found to be interfering in our electoral system, isn't that a game changer, doesn't that go beyond the typical espionage tit for tat?

MR. BRENNAN: Again these incidents are under investigation, I am not going to comment on an ongoing investigation irrespective of what some anonymous officials out there might be saying in terms of who is responsible for it. And when it's determined who is responsible for this, then there will be discussions at the highest levels of the government fed by the results of that investigation and the intels and professionals about what the right course of action should be. Obviously interference in the U.S. election process is a very, very serious matter and I think certainly this government will treat it with great seriousness. That's all I can say at this point.

MS. TEMPLE-RASTON: Do you see -- regardless of who did it, do you see this as a game changer?

MR. BRENNAN: Game changer in terms of --?

MS. TEMPLE-RASTON: Something very different that we haven't seen before that we need to take a look at in a new way?

MR. BRENNAN: Well, if there is, there has been some manipulation of the election process here and system, this is going to be something that this government and our country is going to have to look at again back to what I was saying before, what the vulnerabilities are to the system out there, the digital domain, that this election

and the next election and other things are going to be prone to. So, I think there have been a series of game changers over the last several years on the cyber front and sometimes we haven't I think taken the right message from it.

MS. TEMPLE-RASTON: Okay. Other questions?
Gentleman in the back with the brown shirt.

SPEAKER: Thank you for your thoughts, Director Brennan. I worked teaching English in Afghanistan in 1978 during the time of the Soviet Union invasion. So, I saw a very peaceful country, started about 10 years, then it took them to get to Soviets leave (phonetic). Sir, my -- I would like to go back to this current events this week here. I feel that you as Director of CIA, wouldn't it be a good idea for you to select a state, I think our state of Colorado would be a great state and say, let's go to paper ballots, we have a 100 days or under -- I do, I think that I think we have the right population, we have the private financing and let's and you as director, don't you think it's a good idea that you can't get involved with the investigation, you get public about it, but we need to respond to this and if we are going to have a President Trump because of his buddy pool, I have been busy with Ukraine for two and half years every day.

MS. TEMPLE-RASTON: Well, let me just stop you there, so --

MR. BRENNAN: I am going to tell as a professional, I am not a policymaker, I tee up the intelligence to the policymakers in terms of what it is that we are saying and facing and there are going to be a lot of decisions that will need to be made in order to address any continued vulnerabilities of these types of systems and networks in order to mitigate that vulnerability. They may decide to go to paper ballots in certain places, you know, I think what we need to do is to figure out how we are going to strengthen the security of that digital environment in a way that gives us greater confidence that it's not going to be exploited by those who want to do us harm.

MS. TEMPLE-RASTON: Okay. Other questions?
This lady in the stripe shirt please.

MS. TORRES: You talked about --

MS. TEMPLE-RASTON: Could you tell us who you
are?

MS. TORRES: Oh Mary Torres from Chicago.

MS. TEMPLE-RASTON: Okay.

MS. TORRES: You talked something about in the
future stabilizing Iraq in Syria and how that was going to
be so difficult and I haven't heard Turkey mentioned.
Doesn't Turkey have to come into this equation because of
the decisions Turkey makes on its Kurdish population and
the coup with Erdogan, hasn't he been instrumental in not
seeing that that infiltration of the ISIS fighters goes
over the Turkey border and the Islamatisation of Turkey
that he deliberately practice?

MR. BRENNAN: You are absolutely right. So many
of these issues are interconnected and if you stop pulling
the thread on one issue, you quickly get to another
country and a related issue. You bring up the Kurdish
issue and the Kurds are over the area that Turkey, Syria,
Iraq, even into Iran and the tensions that exist between
some of the governments and the Kurdish people who have
been seeking their independence or autonomy for quite some
time has certainly been manifested in the Turkish
political environment. But the area is going to be
affected by the instability, whether be in Syria or Iraq
or Turkey for several years to come.

Now there is a fair amount of political
turbulence going on right now in Turkey as a result of the
attempted coup that is still playing itself out. It's
going to have reverberations, I think not just inside of
Turkey, but potentially outside of it as well as we see
this evolve in the coming weeks and months. But you're
right, we could go around the borders of these countries
and see how the situation in Syria is and Iraq is
affecting Jordan and Lebanon, Israel, even Egypt. So, it

does have this impact much more broadly than only in those two countries.

MS. TEMPLE-RASTON: Turkey was a big transition or transportation hub for foreign fighters going into ISIS. Turkey began to crack down on that. Do you have concerns that now with the instability there that that move towards cracking down is going to abated?

MR. BRENNAN: Yes, I do because President Erdogan has said that they are still addressing the issue of the coup plotters and understandably they are going to be focused on trying to protect the constitutionally, the democratically elected government in Ankara and the intelligence and security services that we have relied on heavily for partnership to help to safeguard the border and to work on the counterterrorism front, I think there is going to be some dilution of that effort as they look internally on what the threats might be to their political system.

MS. TEMPLE-RASTON: Okay. We have only five minutes left, so why don't I just stack up some questions and we can have a lightning round, if that's all right. This gentleman here in the red and then the young lady with the necklace and then the young lady in the hat. Okay, so we need a microphone here.

SPEAKER: Thank you Director Brennan for your time. I'd like to come back to crypto issue among other things, I teach cryptography. If I could take strong unbreakable crypto out of the hands of pedophiles and criminals and terrorists, I would do so, but unfortunately I can't. The mathematics of strong unbreakable crypto is available to everyone. I am not talking about the Apple hack, I am talking about strong crypto. As far as I and other security analysts can tell, all that you could do in order to obtain the kind of warrant based access to illegal activities that you would like would be to ban strong crypto and enforce some others system, but of course there's no reason why terrorists and pedophiles would ever comply.

So, my question to you is are there any voices

within your agency or within the intelligence community who are encouraging law enforcement intelligence professionals to simply accept the reality of strong unbreakable crypto and to react to that as best we can given the fundamental mathematical nature of a strong crypto?

MS. TEMPLE-RASTON: Okay. So, do you have to accept strong crypto? Young lady, yes.

SPEAKER: Hello, I am Marva Stanelun (phonetic) here with Foreign Policy Magazine. And so you alluded to the fact that the nature of cyber attacks from China has changed and I wonder if you could expand on that.

MS. TEMPLE-RASTON: And then finally if we can get a mic to woman in the hat. Thank you. Perfect.

MS. BROOKS: Hello, thank you. Karen Brooks, Council on Foreign Relations. The chairman of the NEC earlier today in foreshadowing the upcoming global trends cited China as one of two major question marks in terms of global uncertainty in the next five years. He further observed that as GDP growth at home is weakening, the Chinese leadership is more likely to look for nationalistic causes to rally the people behind the government and specifically cited the South China Sea in that context. In light of that and in light of the sweeping rebuke by the permanent court of arbitration against China's historical claims to most of the South China Sea, I wonder what you anticipate vis-a-vis Chinese behavior in the coming months and whether there is an increased risk of conflicts with the United States?

MR. BRENNAN: Okay. On the crypto issue, I am not a scientist and engineer, I am a liberal arts guy. I am a want to be engineer, I really am, I am amazed and fascinated of all the things that science can give us and engineering provides and the tremendous innovation and creativity within this country particularly. And so, I would just say to you, work harder, work harder in terms of working with the government to find a way that we can protect this cryptography that is so necessary to our security while at the same time not allowing those

terrorists, those criminals, those pedophiles to be able to exploit it to the harm of our society. And I don't know what the solution is, but what we need to do is optimize our security and minimize the opportunity for these individuals to take advantage of the tremendous evolution and revolution that we have experienced in the technology realm. So, let's try harder.

On the issue of cyber attacks --

MS. TEMPLE-RASTON: In China.

MR. BRENNAN: In China, I don't think I said that they changed us, they may have changed from the standpoint of I think they were pretty obvious in many respects in terms of what they were doing, which is the reason why I think they were called a lot. I do believe that we have seen less incidence of these types of attacks, but I don't know whether or not it is a result of their realizing that it's tarnishing their national brand and it is hurting them commercially, politically and economically or whether or not they are just getting better in terms of being able to hide their fingerprints on this. So I think the jury is still out on it.

And on the issue of China looking forward, you point out rightly that domestic consumption in China I believe is only between 35% to 40% of its GDP. It's economic engine has been fueled, which -- that percentage is way lower than any other sort of part of the developed world. And so, the engine for China's economic growth has been in the foreign field and it's going to continue to need to be as they are still dealing with a number of challenges as Greg Treverton I guess said today.

They have long been very adventurous as far as Chinese commercial and business interest in different parts of the world, whether you are talking about Asia, the Middle East or Africa. I think you're going to see that they are also concerned about some of the instability and terrorism that is taking place because it is affecting their business interests. And so I think you may see more of a security dimension, even more of a potential military dimension to some of this Chinese expansion as a way to

protect their interests and to strengthen some of their relationships with these countries that they have invested in over the years.

In the past, I think their relationship with a lot of these countries were purely economic and commercial. I think what we are going to see is more interest in the part of China to bring a military dimension to it and sometimes it could be through intimidation, the South China Sea as an example, or it could be by providing the type of attractive benefits that go along with that type of Chinese investment.

MS. TEMPLE-RASTON: Well, thank you very much for being with us. Please thank you, Director, for being with us.

(Applause)

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