

THE ASPEN INSTITUTE

ASPEN SECURITY FORUM

A LOOK OVER MY SHOULDER: THE DNI REFLECTS AND
FORESHADOWS

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Charlie Allen: My name is Charlie Allen. I'm a retired Central Intelligence Agency officer of 47 years. I serve as a principal at the Chertoff Group. I also am an active member of the Homeland Security Aspen Institute's Homeland Security Working Group. It is my privilege this afternoon to introduce the next session.

It is with great interest of the theme of this session which is about to begin. It's entitled, A Look Over My Shoulder: The Director of National Intelligence Reflects and Foreshadows. We know that the threats to this country, they go beyond cyber threats, and Russian interference are increasing. I was once a National Intelligence Officer of Forewarning. I've also found that warning is really something that appeals to me. Looking around the corner, seeing what may happen not just today but tomorrow, to try to anticipate the black swans that are going to hurt or be inflicted upon our nation.

In my view, this session will get at those issues, away from the tactical world and whirly burly of just today's events. It is my great pleasure also to introduce the moderator of this session, Andrea Mitchell. She's familiar not only to the Aspen Security Forum and this audience, but she's familiar with all Americans. Where there's a crisis that involves foreign affairs, you know that Andrea Mitchell is always there. Andrea is, of course, she is Chief Foreign Correspondent for the NBC, and she also hosts Andrea Mitchell Reports for MSNBC. Over to you, Andrea.

Andrea Mitchell: Thank you so much, [inaudible 00:02:06] Allen. Thank you to the Aspen Security Forum. Thank you, Director. It's great to have you here.

There is a lot at stake. No one knows this more than you, so let's get right to it. I want to start with Russia. We'll move on to a lot of the other threats, the things that you're looking about the world. But, let's talk with Russia.

You did something really extraordinary on Monday. Moments after the President appeared to be siding with Vladimir Putin over you, you personally by name, you stood up and spoke out. I'm wondering why did you do that?

Daniel Coats: I'm not surprised we're starting with Russia. I was just doing my job. As I expressed to the President on my third visit to the Oval Office, as his new principal advisor, I said, "Mr. President, there will be times when I will have to bring news to you that you don't want to hear. I just want you to know that the news I bring to you, the information I bring to you, will be to the best extent that we can be unvarnished, non-politicized. The best that our incredible intelligence agency can produce so that you will have the information you need to make the policy decisions that you're going to be faced with."

On that basis, we started a good relationship. I just felt at this point in time that what we had assessed and reassessed and reassessed and carefully gone over, still stands and that it was important to take that stand on behalf of the intelligence community and on behalf of the American people. As we have seen,

the President has made statements relative to, in support, of that, which I appreciate. The latest being on, I think, one of our rival networks. I'll give you the privilege of not naming them, so keep NBC in front here.

Therefore, it was a part of my role, and I felt that it was important that I do that. It has been said, it has been discussed personally with the President, and I think it's time to move on.

Andrea Mitchell: Well, except that the President has made so many conflicting statements. He has switched from one position to the other even in the same day, as recently as yesterday. I'm wondering when you watched that in Helsinki, what was your gut reaction watching him validate Vladimir Putin's assessment over yours?

Daniel Coats: Well, my thoughts there were that I believed I needed to correct the record for that. This is the job I signed up for. That was my responsibility. Obviously, I wished he had made a different statement, but I think that now that it has been clarified, based on his late reactions to this. I don't think I want to go any further than that.

Andrea Mitchell: Well, in the Cabinet Room, one of the statements that you refer to, his clarifications, he said, "I accept our intelligence community's conclusion that Russia's meddling in the 2016 election took place could be other people also." Could be other people also? What does he know that you don't know?

Daniel Coats: Well, could is not a definitive word here. Could someone else be looking at how to do this relative to our elections? Possibly, rouge states, whatever. We know others have potential capability. But, it's undeniable that the Russians are taking the lead on this. Basically, they are the ones that are trying to undermine our basic values, divide us with our allies. They are the ones that are trying to wreak havoc over our election process. We need to call them out on that. It's critical that we do so, and then take steps to make sure that they are not able to do this with an election coming up.

Learn the lessons from the past. Put in place the things that we need to put in place in terms of making sure that we can guarantee to the American public when they walk in that voting booth and cast their vote, however they cast it, it is a valid vote. It will not be tampered with. Whatever result comes from these elections is something the American people can have confidence in that it was not manipulated by anyone, whether that was externally or internally.

We know politically there have been times when parties have tried to manipulate the votes one way or another. That just simply is not acceptable. The very pillar basics of democracy is the ability to have confidence in your elected officials, that they were elected legitimately. We have to take every effort to ensure that happens in this upcoming election and future elections.

Andrea Mitchell: Just to nail this down, the 2017 Intelligence Assessment of the Community, the findings said Putin and the Russian government developed a clear preference for President-elect Trump. Eighteen months later, has anything changed that would make it more or less certain that it was Vladimir Putin in charge of that?

Daniel Coats: I don't want to get in too far into the investigation that's going on and what they may produce from that-

Andrea Mitchell: But in terms of the Intelligence Assessment.

Daniel Coats: Well, we just continue to provide intelligence so that we achieve, relative to our customers, which is the President, which are the policy makers in the White House, which is our Oversight Committees in the House and the Senate, on that basis, that is available to them. We will keep doing that.

Relative to what's coming in 2018, as Director Nielsen said this morning, DHS does not have evidence of the fact that anywhere near what happened in 2016. However, despite that, we absolutely have to ... we cannot just rest on that assumption. As I mentioned in my speech at Hudson just a week ago or so, it's just one click of the keyboard that could change this narrative.

We have to be ever vigilant on this, and I think we have to be relentless in terms of calling out the Russians for what they've done. We have to be vigilant in terms of putting steps in place to make sure it doesn't happen again. The more transparency we can have relative to this issue the better.

Andrea Mitchell: Men and women who work for you are working around the clock.

Daniel Coats: They are.

Andrea Mitchell: Around the world and putting their lives on the line in many cases to make sure that our democracy is safe. What do you say to them when the President disavows their work or others in our government? Disavows their work and criticize their work?

Daniel Coats: I say to our people, most of them are around the world and in the 16 agencies within the United States, I say to them, "We are professionals. We are here to provide professional service to our government. We need to keep our heads down. We need to go forward with the wonderful technological capabilities that we have to produce intelligence. There's a lot of swirl, political swirl, going around. Just do your jobs. Our goal is to make unpoliticized information necessary for our policy makers to make good decisions. Try to get up every morning, go to work, do your job. If you are thinking one way or another way relative to a plus or a minus, set that aside. Go home and think about it, whatever. But, the work product that you are putting together has to be absent from any kind of political manipulation."

Andrea Mitchell: In Helsinki, the President was alone with Vladimir Putin for two hours, more than two hours, with only translators. Basically, how do you know what happened? You were on the dark side of the moon. How do you have any idea what happened in that meeting?

Daniel Coats: Well, you're right. I don't know what happened in that meeting. I think as time goes by and the President has already mentioned some things that happened in that meeting, I think we will learn more. But, that is the President's prerogative. If he had asked me how that ought to be conducted, I would have suggested a different way. But, that's not my role. That's not my job. It is what it is.

Andrea Mitchell: Is there a risk that Vladimir Putin could have recorded it?

Daniel Coats: That risk is always there.

Andrea Mitchell: Is there a risk that the soccer ball could have been wired?

Daniel Coats: Is that a World Cup soccer ball or was that a ... we have the ability to measure those kinds of things and determine whether or not they are a risk or not.

Andrea Mitchell: I kind of figured you did.

Daniel Coats: Every time I come home with a ... you know, there's a limit to what they can give you if you meet with your foreign adversaries. All that has to go through the radar and the processes and is it less than \$20, or whatever. So, I'm sure that soccer ball has been looked at very carefully.

Andrea Mitchell: I'll bet you looked at that big letter from Kim Jong-un that was brought right into the Oval Office. That was really something else.

Today the White House said that the President now disagrees with Vladimir Putin's offer to question Ambassador McFaul and other Americans, other diplomats. As a former ambassador, are you dismayed that it took the President three days to come to that conclusion?

Daniel Coats: Andrea, I don't know how to answer questions like that. My focus now is on what's happening around the world, the threats that are facing the American people, the threats that undermine our democracies. That's what I was hired to do.

I can't focus on ... you know ... When I was a policy maker in the Congress, we like to think as Senators we have an answer for everything even though we don't. But, we like to think that.

Now, I'm in a completely different job. I spent a lifetime trying to get my name in the paper back at home so people would vote for me, remember the name when they went into the voting booth. I'm at a job now where it's just the

opposite. I like to spend my lifetime not being in the paper, not having my picture or words. I do very few of these types of-

Andrea Mitchell: I know. We're very grateful to you for today.

Daniel Coats: It's attractive too ... it's hard to say no to an invitation to Aspen, especially in the hot summer of Washington, D.C. I just try to keep my focus where it needs to be, and so there's just some things I just don't get into.

Andrea Mitchell: Let's focus on your warnings. On Friday you warned that ... well you said, the warning lights are blinking red again as they were before 911 on terror threats. You were speaking about cyber.

Daniel Coats: I was.

Andrea Mitchell: You said Russia was the most aggressive of the foreign actors in cyber.

Daniel Coats: By far.

Andrea Mitchell: In what way? What does it mean in terms of the attacks, the frequency of attacks, successful attacks?

Daniel Coats: It means we're under attack in many, many ways. Our financial institutions, our critical infrastructure, our industries. In many ways.

The plus side of what the interconnectedness of the world through the Internet, all the revolutionary things that have been incredibly impactful in terms of moving us forward, we're now learning about the dark side, and it's pretty ugly. What we see every day against our institutions, against our military, against our financial services, against our critical infrastructure, stretching from those who have major capabilities of doing this, starting with Russia, including China maybe for a different purpose of stealing our innovations. Their intent, I think, is different than the Russians. Add Iran into that. Add ISIS into that.

Here we thought ... we first learned about ISIS when they started slicing off heads. We identified ISIS as a 7th Century barbarism that was just totally unacceptable. Where did this come from? Where did this theology come from? At the same time they were slicing off heads, they were operating a sophisticated cyber program to reach out to recruit people, to give them instructions, inspire them to take acts to join this movement, this jihadist movement, through some very capable ways of using cyber, sophisticated ways.

You see the danger that cyber can provide if you do it in deferous ways. We see that. It's everything from a sophisticated nation with a lot of capabilities to rogue states, to criminal organizations, to a kid sitting in his dorm room, that can wreak havoc on our economy, wreak havoc on our country, on our critical infrastructure. We are throwing everything we have at it to prevent that from

happening, but it has become, in my mind and what I stated in the threat assessments, up there at the top. We need to understand that.

I was worried about a complacency, oh, you know, every day you hear 120 million people's names have been snatched from Equifax or this or that or whatever. Yeah, yeah, okay. And they probably got stuff from you through your phone. You should be changing your password every week. Oh, I'm not going to do that. I can't remember my password anyway, etc., etc.

There's a complacency and acceptance of what's happening out there. This is just what it is, this is just the result of it. I'm concerned about ... you know, you say what are worried about at night? I'm concerned about a cyber 911 that-

Andrea Mitchell: What would that look like?

Daniel Coats: Let's say you shut down Wall Street for a week. What does that do to world markets and people's investments? Let's say you crash Bank of America or Wells Fargo or whatever, and all of a sudden people are saying, hey, wait a minute, what happened to my account, what happened to my retirement. Oh, we'll get it back. Okay.

We've seen this and we've seen coverage of that. We haven't seen the big one. What about an attack on the electric grid in New England in January that may be sophisticated enough to take it out for three days? How many people will die from minus degree weather on that?

Those are the things that I think you have to try to anticipate. What are the capabilities that our adversaries now have if they wanted to use them? As Charlie Allen, who in my mind is a legend and I look to him for advice at our regular breakfasts ... I won't tell you where we meet. These are things I think strategically we have to look forward.

Tom Clancy's Sum of All Fears, when a terrorist group obtains a weapon of mass destruction. If the weapon of mass destruction had been one of those airliners that hit the Twin Towers, we wouldn't be talking about 3,000 victims, we'd be talking about 300,000 or more.

These are the things we have to think about. We can't rest on our laurels that yes, we collect a lot of information, we know what's going on. There are people out there playing this game of chess with us in ways that want to take us down, and we have to be better than they. That is a huge challenge, which is why I say it's a whole of government effort that has to take place relative to cyber.

Andrea Mitchell: Yet the White House fired its cyber coordinator and has not replaced him. Is the President really engaged in this? If the President is not leading the charge, will the troops really try to take the hill?

Daniel Coats: As you know, we have a new National Security Advisor, John Boulton. John Boulton made the decision to make a change relative to who was handling that at the White House level. John Boulton is putting in place the replacements for that. It is a key-

PART 1 OF 3 ENDS [00:20:04]

Daniel Coats: ... Place, the replacements for that. It is a key ... [inaudible 00:20:03] ensured me that that is a key issue that we need to address.

In the meantime, this has spread throughout our various agencies, each one somewhat different than the other, taking major steps. We have fusion centers, we have processes underway. Kirsten Nielsen, [inaudible 00:20:22], has told you about what DHS is doing. Defense is doing that. All of our agencies are engaged in that. This is going to continue to ramp up, and it involves not just tampering with the election, but involves putting the right defenses in place, the right strategies in place, in terms of how to retaliate if necessary. It's clearly one of our top priorities.

Andrea Mitchell: Last week, you said Russia and other actors were exploring vulnerabilities in critical infrastructure and trying to infiltrate energy, water, nuclear, and manufacturing sectors. These actions are persistent, they are pervasive, and they are meant to undermine America's democracy. Have they succeeded? Have you found penetrations in areas?

Daniel Coats: Well, sure. We see ... All you have to do is pick up the paper and see who was the latest hack, successful hack. There are penetrations in areas ...

Andrea Mitchell: Are those from criminal syndicates or are those foreign actors?

Daniel Coats: From any number of ... Attribution is one of the problems that we have. You're not lining up tanks and planes here and can see where the enemy is. You don't know exactly where it's coming from. We have capabilities to determine that, but that takes some pretty good statecraft in order to define that.

Yes, this is something that is broad, and we see it coming from all different sources. Criminal organizations can use it. You see the stealing of Bitcoin, you see the stealing of money. North Korea is pretty famous for its capabilities to gain revenue by hacking financial institutions. It's everywhere.

Andrea Mitchell: Are you seeing any evidence of increased Iranian aggression, perhaps in response to the American sanctions and the withdrawal from the nuclear deal?

Daniel Coats: Well, nothing of major impact, but we see continuous malign efforts by the Iranians, which was a lot of what drove the decision on the JCPOA, was the ... What we thought originally, or what we were told originally when I was serving in the Senate, the narrative was we'll have a much better relationship with

Iranians, we'll be able to talk to them about some of the things that they're doing, have a more cooperative effort, so forth. That did not happen. We saw them step up their game, in terms of support for terrorist groups, the terms of their malign activities, their missile development, a whole range of others. Their involvement in Damascus, in Syria, their involvement in Yemen. On and on it went. They're firing rockets at our boats in the gulf. They're bad actors, and they continue to be bad actors. There we are.

Andrea Mitchell: North Korea. As you know, some of our own intelligence officials have told NBC News that North Korea is enriching nuclear fuel at secret sites, is making plans to deceive the United States about its nuclear program, even as we are discussing denuclearization at the summit level. How does that square with the President's declaration in Singapore, that they are denuclearizing?

Daniel Coats: Well, I think it was referring to they're going to denuclearize, they've made a commitment to denuclearize. Mike Pompeo, who I just talked with the other day, basically said they continue to make that statement. I'm a Reagan guy. I came into office in 1980 with Ronald Reagan. Trust and verify. I'm now the verify guy. I still have a real hard time trusting our adversaries. I'm not surprised the North Koreans might be trying to hide some things, try to be deceptive, but that's why we have the verification process, and we'll need the verification process in place to absolutely ensure that they ... This is classic North Korean deflection. We expected that. I think we have the right person in the right place, Mike Pompeo there, coming out of the CIA. We know and we have the capability to know what they're doing, and we're going to make sure we do it right.

Andrea Mitchell: Is there any evidence, any intelligence assessment, that North Korea is prepared to give up its nuclear weapons?

Daniel Coats: Well, it depends on your evaluation of the supreme leader there, that Kim Jong Un continues to say and some of his people continue to reassert, but time will tell. I don't think we should go forward with the assumption that all this is going to work, but, having the opportunity to try to succeed here instead of potentially going to war with a potentially nuclear-armed nation and what we evaluated as somewhat unstable leader, why not give it a shot? We had the support from the Chinese. The sanctions are basically being held. The amount of exports going out of North Korea has declined dramatically. Kim Jong Un is forced to look at a potential collapse of his economy if he can't do something moving forward with this, and so I think we have some leverage here. We continue to have Chinese support, we continue to have Russian support on exporting, and other nations, South Korea and others.

Right now, we have the pressure on them to go forward, and we'll just see how it plays out. Again, I said trust and verify. I think I'm starting with don't put in trust until you see the results, and make sure you verify what they are.

Andrea Mitchell: Is ... How do you continue the so-called maximum pressure through sanctions when we have, in effect, normalized Kim Jong Un through a summit with an American president? Is it likely that China and Russia will continue to adhere to these sanctions going forward?

Daniel Coats: I think Russia and China see the danger of North Korea being a nuclear-armed nation. They have sided with us in this regard. We ... Obviously, we'll be watching what happens. All I can say is what we know today is that they are adhering to the sanctions program, and we will continue to assess that. I would say one of the issues here is coal and oil. That ... Their ability to import that has dropped dramatically, and that hurts them economically. There are ship-to-ship transfers that it's been hard to interdict, and so they are gaining some energy from those ship-to-ship transfers out in the water somewhere in some sea, vessels that have been given a different signal and so forth and so on, but that is not so substantive that it has bypassed the ability for them to see their consequences of sanctions.

Andrea Mitchell: You said you're the verify guy. We've always been told that North Korea is the hardest target, intelligence target, with so much underground.

Daniel Coats: It is. Mm-hmm (affirmative).

Andrea Mitchell: How good is our intel? How well do we assess their weapons?

Daniel Coats: Significantly better than it was. We saw the threat, we knew we had to step up, we have taken significant measures to do so, and we are in a much better position, and we will continue to pursue getting even better position. We have to if we're going to go through with this process.

Andrea Mitchell: They managed to cheat and fool to previous presidents from both parties.

Daniel Coats: Yeah. Well, let's try to make sure that doesn't happen again.

Andrea Mitchell: John Bolton suggested that one year was a timeline for them to denuclearize. Is there any scenario where they could denuclearize in one year?

Daniel Coats: It's technically possible but probably not going to happen. I think Secretary Pompeo has clearly said this was hard, this is going to take some time. He has projected a longer timeframe. Then, it depends on what steps they take within that one period of time that can give us some hope and encouragement that we're on the right track, but it's a much more complicated process than most people think.

Andrea Mitchell: I wanted to ask you about the President's daily brief, the intelligence brief, the PDB.

Daniel Coats: Mm-hmm (affirmative).

Andrea Mitchell: How frequently does he get the intelligence brief? It hasn't been on his schedule on a regular basis lately.

Daniel Coats: Lately, he's been doing a lot of travel. There was an Oval Office this morning, there's going to be one tomorrow morning. My principle deputy will be representing me ... Has represented me this morning and will represent me tomorrow. There had been some ... There were some early cancellations within the last two weeks because there's an awful lot of travel planning and so forth, but they're relatively regular, based on the president's travel. Now, when he travels, he has a briefer that goes with him that comes from out of our shop, putting together the PDB. That briefer then briefs the President on weekends if he's not in Washington, and also briefs him when he travels. Just because there wasn't an Oval, if he's overseas, he's still getting briefs. If it's a weekend, he's still getting briefs.

Andrea Mitchell: What kind of consumer is he of intelligence? Every president takes it differently. Some read, like to read the briefs. Some like it orally. Can you describe the process?

Daniel Coats: He likes it orally. He likes examples. We have ... I have introduced him to directors of our various intelligence agencies for them to come in and present, "Here's what we do, Mr. President. Here's some of the crown jewels. Here's what we really are proud of," and so we've given that information to him. He wants an oral presentation, but we use models, we use charts, we use a number of things.

Going back and looking at post ... Accounts of post briefers, previous briefers, every president takes it a different way. Some of them want to read every word by themselves and say, "I don't need a brief. I've read it all. All you can do is tell me ..." Others say, "No, I ... Give me the three most important things here. I've skimmed through this and so forth. I don't have time for more." Others just say ... With this president, we have consistently gone overtime. Consistently ... Madeleine comes to the door, "Mr. President, you're behind time." "I need more time." He does ask a lot of questions, he does have a lot of curiosity.

What he does with that information, of course, is what every president does. They evaluate that in context with all the other information that is provided to them by their staff and their own thinking. Our job is to give him the raw stuff, the basics, knowing that that's going to be a part of a broader set of information that comes to the president and advice that comes to the president, relative to the final decisions that he makes.

Andrea Mitchell: It occurs to me, did you know before hand that Kislyak and Lavrov, the ambassador and the foreign minister, were going into the Oval Office that day?

Daniel Coats: I did not.

Andrea Mitchell: What was your reaction afterwards? We all learned about it from [tess 00:32:13].

Daniel Coats: Probably not the best thing to do. No, I was not aware of that. I don't ... I'm not aware of anything like that since. You have to understand, you have a president who did not come through the system. Came from the outside. I don't think there was any nefarious attempt there to do anything, but that's history.

Andrea Mitchell: Have incidents like that hurt relationships with other intelligence agencies, on sharing information?

Daniel Coats: I spend a lot of time interacting with our allies, and even with our adversaries, on the intelligence level. What I tell them is, look, we have ... Even though we may have major issues with which we disagree on policy, it's very important ... We all have the same basic responsibility of keeping our people safe. To the extent that we can work together for this and this alone ought to bind us together. We have formed very trusted relationships with people, saying, "We know there's a lot of political stuff swirling around up there, but our responsibility is to keep our people safe so, if we can share with each other," and we really have restored and retained a lot of very good relationships where we just kind of put the news of the day on a shelf and say what's happening, in terms of terrorist threats, counterintelligence, et cetera, making sure we get the right information shared with each other.

A perfect example of that is when we notified Vladimir Putin that we had information about an attack about to occur, very quickly, in St. Petersburg, where dozens if not hundreds of people could have been killed. We asked, and I ... Frankly, I have met with their directors. I said, "I'm only here to talk about protecting our people. If we don't agree on anything else, can we agree that, if we see a threat to our people or to your people, you will reciprocate with what we're doing, reciprocate in order to stop an attack from happening?" That is a foundational thing that I think is very, very important. We have to keep our focus on that.

Andrea Mitchell: Do you have that kind of relationship with other adversarial intelligence agencies?

Daniel Coats: Basically, it's allies, people ... Now, you have to assume the level of trust here. You just don't go walk in with the crown jewels.

Andrea Mitchell: Right.

Daniel Coats: You don't go walk in with anything except counter-terrorism only. We're here for one reason and one reason only. I'm not getting into anything else you're doing. Now, with our Five Eyes, with our key partners, of course, it's a whole different relationship. We have trust that we can share our information on a whole number of things, but there's a very sharp line that, when you step over

to somebody where, "Not sure about this one," you just ... You don't go anywhere past the CT.

Andrea Mitchell: How good is the Mossad to have gone into the center of Tehran and gotten into that building and taken all of that data about their nuclear program?

Daniel Coats: Well, the Israelis, they're pretty good at what they do.

Andrea Mitchell: And they certainly bragged about it.

I want to ask you ... Well, also ask you about a real red line that was crossed with the nerve agent that was used in the UK.

Daniel Coats: Mm-hmm (affirmative).

Andrea Mitchell: Today, the Brits are reporting that CCTV cameras picked up possible suspects in that case.

Daniel Coats: Right.

Andrea Mitchell: What is the risk that such action could be taken, such targeted killings could be taken against defectors or other assets here in the US?

Daniel Coats: It's a risk. The Russians do bold things and extraordinary things. The pushback that we had with a combination of our partners against Russia on this was very, very important, sending the right signal, but it should have told the world that, if you think the Russians are trying to be good neighbors, this is the kind of things they still do. By the way, the former director of the KGB is the one leading their nation. Those people usually don't have the kind of training that our presidents have.

Andrea Mitchell: Again, we should be very wary around the former KGB leader who is leading their nation?

Daniel Coats: A lot of things point to him. Look, it's ... I think anybody who thinks that Vladimir Putin doesn't have his stamp on everything that happens in Russia is misinformed. It is very clear that virtually nothing happens there of any kind of consequence that Vladimir Putin doesn't know about or hasn't ordered. I think we're pretty sure about that.

Andrea Mitchell: The threats to the 2018 mid-terms, how well-defended are we, in terms of state election boards? There was a report in Maryland that one of the contractors working on the election board was actually partly owned by a Russian oligarch.

Daniel Coats: Yep. Saw that. Yeah, and that's a success. We're now learning what is happening out there and doing everything we can to correct it. There is an all-of-government effort. We will hear things, and that's good because we want to

hear things that are ... If they're happening, so that we can correct it. Between now and the election, we just need to ensure the American people we're doing absolutely everything we can to make this a clean election. I think we benefit from that. As you know, I won't sort out any ... Both parties, there have been elections in places where we've had our own people messing with the result. The double-benefit of this is that, if we can put those protections in against outsiders trying to interfere inside, we can also have a much better, reliable system for insiders who try to manipulate that. We have to ensure the American people that we have a sound system. It's the essence of democracy.

Andrea Mitchell: The intelligence community has been under pretty sharp political attack from all sides, some of it from the Oval Office but not all of it. Had there been ... Have there been moments, such as those suggested by Christopher Wray in his interview with Lester Holt, where you even considered resigning?

Daniel Coats: That's a place I don't really go to publicly. Every ... I've tried to retire twice.

Andrea Mitchell: Not very successfully.

Daniel Coats: Not successfully. I failed both times. Look, you ask yourself, "Why did you agree to do this in the first place? What is your intent? What is your responsibility?" I look at those measures in terms of making decisions as to how long I would like to be in this business. Are there days when you think, "Oh, what am I doing?" Yeah, but there are a lot more days saying, "The mission here is critical." To be able to be a part of it, be able to feel like you're giving something back to your country, it's ...

PART 2 OF 3 ENDS [00:40:04]

Daniel Coats: -Back to your country. It's a reward. That's not necessarily not a financial reward, but it's a reward that doesn't come from just a softer job or more income. As long as I'm able to have the ability to seek the truth and speak the truth, I'm on board.

Andrea Mitchell: You were a member of the Senate, and I covered Congress in years past, with legendary members of both parties. The American public is pretty turned off on Congress, the stalemate-

Daniel Coats: That's for sure.

Andrea Mitchell: The level of debate. What is your response from looking at it from the outside now, and as someone who was there during some of the glory days?

Daniel Coats: You know I had the unusual situation where I served two different times in the United States Senate. The first time, it's like having your foot in what the Senate traditionally had been, and then another foot in what the Senate has become now. In my first stint there, there was bipartisan ... I mean, look, we had

different opinions, but we worked them out, and we reached a conclusion. We had terrific leadership. Bob Dole, George Mitchell had I think a very successful relationship, even though we were on a different page policy wise and so forth, in using a process to come to a conclusion. Everybody had a chance to offer their amendments. I can't remember how many times George Mitchell would say, "I know you all want to go home, but nobody's going home until we finish this bill. Now I know there's 113 amendments still out there. Now, if you want to tell your colleagues that they need to stay here Saturday and Sunday, that's fine. As soon as you guys want to say let's vote, then we'll adjourn." And I think we've lost that now, partly from a procedural standpoint, partly because there's so much animosity between the two groups. Things have been accomplished, but I think it could be a much better atmosphere if we could get some kind of community in terms of how we work with each other.

Andrea Mitchell: You talked about sticking it out, and you don't talk about threatening to resign. I respect that. You have fears that if you were not there, someone would replace you who does not stand up for an independent intelligence community free of politics.

Daniel Coats: Well, I don't think I should base my decisions on that. I assume there's plenty of people out there that could do a good job on this. I came from the outside, not from inside the intelligence community. There are skills and knowledge that I don't have. I've got some really smart people surrounding me that do have that experience. It allows me to have more interaction with things that I have had experience with, like going before Congress, working with the Congress, working within the executive branch, and so forth, and even having had a diplomatic experience as Ambassador, that's very helpful to me and something I can bring with that experience to the job. Hopefully we're trying to find that right blend of mix, and I hope we have.

Andrea Mitchell: We can only imagine what keeps you up at night. You've been a diplomat and twice a Senator. What are the joys of this job?

Daniel Coats: The joy is not a word that I have come across. People say, "Are you having fun?" I say, "What are you talking about? This is not a fun job. I say it's a meaningful job, but it's not fun. You wake up every morning, and I sit down with my senior intelligence mission people, and it's like, "Okay, tell me the bad things that happened since I fell asleep." I'm flooded with documents, top secret, and so forth and so on, classified documents every day, and I'm reading about what went wrong. I don't get to read about what went right. That's why I grab the sports page from the Washington Post hoping the Chicago Cubs had won last night, and then the day goes down from there.

No. It's not fun. You don't get joy, but it's a reward for being involved in a mission that is part of trying to help your country. I just don't think people can understand how privileged we are to be born in this country, to live in this country. I mean, we look at our problems, and you look at the world's problems.

I mean we are blessed. We need to make sure people understand that, because for all the bickering and stuff that's going on, there's never been a country like this. There's never been a place where you've had this kind of opportunity, and we've got to preserve that. We have to do everything we can to preserve it. And being asked, "Would you help us do that?" That's something that's really special.

Andrea Mitchell: Wow, on that note, I want to thank you for your service through times. We have time for some questions. I do want to say we have some breaking news. The White House has announced on Twitter that Vladimir Putin is coming to the White House in the fall.

Daniel Coats: Say that again.

Andrea Mitchell: Vladimir Putin coming to-

Daniel Coats: Yeah, I heard you.

Andrea Mitchell: Yeah. Yeah.

Daniel Coats: Okay.

Andrea Mitchell: Yeah.

Daniel Coats: That's going to be special.

Andrea Mitchell: We're up here without any devices or communication. Let me look around the room. I see some friendly faces. Jane Harman, do you have your voice back today?

Jane Harman: Sort of I do.

Andrea Mitchell: That's because [inaudible 00:46:46] the head of the National Security Forum.

Jane Harman: Well, thank you for your service, Dan, in three jobs. And your courage in this job especially.

Daniel Coats: Thank you.

Jane Harman: My question is about North Korea. You said that their economy is really shattering, and my question is what is the risk that they will proliferate missile technology, which they surely have, to rogue actors.

Daniel Coats: Jane, that's a very relevant question because, as you know, they have earned a lot of cash selling their weapons of mass destruction technologies and weapons. We have to absolutely make sure that this is not part of anything that we allow to happen. We have to make sure that we put all the verification processes in

place to not make that happen. But yes, they have gained a lot of revenue by selling those materials, and shifting those around to bad actors, and we can't let that happen.

Andrea Mitchell: Okay. Josh Rogin. Is there a mic?

Josh Rogin: Thank you very much. Josh Rogin, Washington Post. Yesterday Christopher Wray said, "China, from a counter intelligence perspective, represents the broadest, most pervasive, most threatening challenge we face as a country." Do you agree with that assessment? If so, is the US government dedicating proportional and sufficient resources to confronting that threat? If we're not dedicating those resources, why not? And don't you think we ought to?

Daniel Coats: Well, first of all, I agree with that. I had dinner last night with Chris, and I said, "I really appreciated it. I thought you were very articulate, and so forth.", and he said, "Yeah, I just read what you said at Hudson, and I just repeated it." So, I fully agree with what he said.

In terms of countering that, I think we're becoming ever more aware of what the Chinese are trying to do. It's a different intent than, of course, what the Russians are trying to do, but I think clearly China is being called out on that. It is an issue of significant discussion and strategy thinking in terms on how we best do that. We currently are in a trade situation. I'm glad I'm not the trade representative. Don't ask me a question about trade or quotas or tariffs or whatever. I had opinions when I was in the United States Senate, but I'm just burying those now. I'll leave that to someone else.

But yes, I mean it's how we look at China. We look at China in a different way than we look at Russia. I think they do have different intents. China wants to be a global power, and you see them spreading their influence, this one belt, this one road. You see them spreading their influence, whether it's the Coral Islands or whether it's strategic ports, and so forth. They've got a long-term strategy. And we're going to have to adjust to that. We're going to have to make a decision on whether or not they are a true adversary or whether they're a legitimate competitor. And how are we going to work with that? There are several things that we need to do, I think, immediately, and that is, "Look, you cannot steal our secrets. Fine. If you want to innovate, innovate, but don't send your kids here. Do put your people in our labs. Don't take cyber stealing of our innovation and so forth. We're not going to allow that." And so that were I think we begin drawing the line.

Speaker 1: [inaudible 00:50:26] true adversary or a legitimate competitor?

Daniel Coats: I think it's a blend. It depends on how you look at it, and what you see their intent is. Different people look at it in different ways. They clearly are a competitor, becoming a competitor. They've made remarkable strides in the last

five, six years or so. They do some adversarial things, but it's not the type of things that the Russians do.

Andrea Mitchell: Jeremy.

Jeremy Bash: Jeremy Bash, Beacon Global Strategies. Mr. Director, first, thanks for your leadership in the intelligence community.

Daniel Coats: Thank you.

Jeremy Bash: And I would actually like everyone to applaud the Director's leadership and his outstanding service to our country.

Daniel Coats: Thank you very much.

Jeremy Bash: Question about Russia also. Was the game plan going to Helsinki to potentially confront the Russians on their violations of the INF treaty. And also relatedly on arms control, do you assess or do we assess that the Russians would be interested in having an arms control agreement to actually continue some of the reductions in levels of nuclear weapons?

Daniel Coats: We know that that issue was discussed in the meeting. I don't know what came from it or what the details are. I think it's something that we should go forward with. If Russia wants to be the country that they say they want to be, they have to act in a way that reaches that goal. It's their actions and not their words that matter. Their actions have been pretty nefarious toward us, so we'll see where that goes. I don't have high hopes on that, but I would wish we could sit down and talk about that.

Andrea Mitchell: Ambassador Bernstein?

Ambassador B: Dan, I'm a fan of yours too.

Daniel Coats: Well, we served together at an interesting time.

Ambassador B: Right. We know Iran supports Hamas and Hezbollah. Are there any other of those kind of organizations that we should know about, if you call them organizations, that Iran is supporting?

Daniel Coats: Well, you named the big ones, but Iran is looking around. Obviously they're supporting the Houthis in Yemen. They're looking for opportunities to mess with us in different ways in Syria. It's interesting this, I think Tom Friedman put this piece in the New York Times two or three weeks ago about the potential for conflict in the southwestern Syria, right on the border of Israel, right on Golan Heights border that we've got in Western Syria, we've got about four, five, six nations conflicting us over it. We have US troops a little further east, but the possibility of a mistake, the possibility of wrong assumptions, can really trigger

something there. It's a real hot spot. We don't talk much about it. So much going on with everything. We don't talk much about it, but that's a real worry for us. The Iranians have stated publicly their not going to allow Iranian influence in that part of the world that close to their borders, and they're going to take action. And we read almost every day they are taking action. You have quite a stew of a mess right there in a very critical part of the world that the wrong spark could create a major problem. And the Iranian presence is a key factor.

Andrea Mitchell: Carol Lee is in the back of the room.

Carol Lee: Thank you. The White House announcement that Andrea referenced earlier said Putin was invited to Washington this fall. Were you aware of that? I just wanted to clarify, because didn't seem to be.

Daniel Coats: I think based on my reaction, I wasn't aware of that.

Carol Lee: Okay. Given that, what do you think the agenda should be for that meeting?

Daniel Coats: Oh, goodness. First of all, they're not going to ask me what the agenda is. We will be looking at what the potential intelligence risk could possibly be, and we'll make that information known to the president, and we'll provide him with whatever information we can gather relative to what might be on Putin's mind, or what they might want to achieve, but hey we're 15-20 minutes into this breaking news about this, so I think it's something we'll just have to assess going forward.

Andrea Mitchell: Would you recommend that there not be a one on one without note takers?

Daniel Coats: If I were asked that question, I would look for a different way of doing it.

Andrea Mitchell: Alright. I think we're just about out of time. Michael Gordon, one final question. I know you can do it quickly.

Daniel Coats: It's always that final question that gets you. Go ahead, Michael.

Michael Gordon: Do you think Russia has sufficient influence in Syria to force Iranian military forces and Iranian back militias to vacate the country, since that's a policy checked amongst the administration, just from an analytical, intelligence perspective?

Daniel Coats: We have assessed that it's unlikely Russia has the will or the capability to fully implement and counter Iranian decision and influence. It's a big country. There are a lot of hot spots there. Russia would have to make significantly greater commitments from a military standpoint, from an economic standpoint. We don't assess that they are keen to do that.

Andrea Mitchell: Well, thank you and the men and women of the Agencies for everything that you do.

PART 3 OF 3 ENDS [00:57:06]