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**INTELLIGENCE TRANSFORMATION:
Meeting New Challenges in the Middle East and Beyond**

Introduction and Moderator

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Speakers

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ROBERT SATLOFF: Good afternoon and thank you all for coming to today's event. Today is a very special event, not least because our speaker is not known for his frequent public speeches in front of audiences such as this. Today's an event also because -- a special event also because it is the latest in a unique series that we have undertaken here at the Washington Institute, hosted by our Stein Program on Counterterrorism and Intelligence under the direction of Matt Levitt and with Mike Jacobson as its senior fellow -- a special series that has brought together leaders from intelligence agencies and from positions of authority on intelligence matters around the U.S. government.

We have hosted people from the White House, from NCTC, from agencies around the government dealing with intelligence, counterterrorism, narcotics, all of which focusing on intelligence matters in the Middle East. It's been a fascinating series. We've published one volume of collected remarks -- excuse me -- two volumes of collected remarks, and today's remarks, hopefully, will be included in our next volume of collected remarks on this topic.

Today's speaker is also someone who is a rarity in Washington in that he has survived a transition, a transition not just from one president to another but from one president from one party to another president of another party -- highly unusual, but something which, I think, to me and most observers bespeaks the high respect and regard in which he is held by professionals across party lines, from administration to administration.

Today's speaker is Lieutenant General James Clapper. He is the undersecretary of defense for intelligence. He was first approved in this position in April of 2007, and has been asked to stay on by President Obama and Secretary Gates. He also serves in this position as director of defense intelligence, and in that position, reports to the director of national intelligence as the principle advisor on defense intelligence matters. So General Clapper is dual-hatted, having served now in two administrations. This is no easy task. The title of his remarks today are "Intelligence Transformation: Meeting New Challenges in the Middle East and Beyond," a very timely topic given the important changes that are underway in this important arena. General, I am delighted to welcome you to the Washington Institute.

And the ground rules for today, just so I can remind everyone in the audience -- and especially so the general's public affairs people will not lose any further sleep -- the ground rules are that the general's prepared remarks are on the record. And, then when we get into a question-and-answer session, those remarks and that entire exchange will be off the record. So, please do as you have always done in the past. Please do abide by these important ground rules that enable us to have such guests as General Clapper with us today. General Clapper?

LT. GEN. JAMES CLAPPER: Thank you. (Applause.) It is good to be here and see a few familiar faces from prior incarnations. And, so, hopefully I'll get a few softball questions from them. I guess I should say at the outset that I don't really seek out public opportunities to speak, and some of you in the media know -- I know Walter Pincus is here of Saban -- don't talk too much to the media, either, so this is kind of a double hazard for me, here. Actually, it's in our genes in intelligence not to speak out publicly. But here I am.

The current job I'm in is undersecretary of defense for intelligence, which is the most recently created under the five undersecretary positions in the department -- about 2005 or so -- and I'm the second incumbent. And my job is to oversee the intelligence agencies that are embedded in defense, meaning the NSA, NGA, NRO, and DIA, and oversee the four services and their intelligence activity and then other intelligence-related activities that go on in the department, but principally, in the services and the agencies.

I am in an arrangement that I suggested and that both Secretary Gates and then DNI Mike McConnell agreed to -- wearing a second hat on the DNI staff as director of defense intelligence. And Director Blair has really bought into this concept, so we're doing a lot of things together, and a simple thing like attending the DNI staff meetings each week is a great boon for coordination and communication. We're doing all of our -- it's budget season right now -- testimony season -- so we're making the rounds on the Hill and we testify together. This year, for the first time ever, we submitted a joint statement for the record, rather than having them done separately. We're looking for ways to enhance coordination synchronization between the two entities, since much of the domain that he oversees as the director of national intelligence -- much of it is embedded in the Department of Defense. We're probably the biggest elephant in his living room.

As a holdover, leftover -- whatever the right term is -- from the end of the prior administration, when Secretary Gates asked me in December of 2006 if I would come back to the government again and take this job, and after I got through the confirmation process, which is something I will never do again, my wife got me one of these electronic countdown clocks, which counted down to zero on the twentieth of January. And I thought, frankly, that was going to be it -- absolutely, positively my last gig in the government ever.

So then, he asked if I would want to stay on and I did, so I retired the countdown clock -- for a while anyway. It is interesting, though, having the last two years of the prior administration and now this one. It's been interesting to watch the transition, which, in our case in the department, is going pretty smoothly, obviously because of the unprecedented continuation of Secretary Gates. So that obviously facilitated the ease of the transition pain, and I think he's done a great job of bringing in and amalgamating the new people who have come to the department.

I think one of the reasons, probably, it was possible in my case is that I'm really kind of -- I consider myself at least -- apolitical. In the course of forty-six years in intelligence in various capacities -- thirty-two years of active duty in the Air Force -- I've worked as a contractor for four companies over six-and-a-half years as doing business for the intelligence community. As a civil servant, I came back to be the director of NGA for almost five years, and now as a political appointee. And the consistent stream there has been some -- and I've taught as well at the graduate level at two institutions -- so, I really consider myself apolitical and more as an intelligence professional.

And, in that forty-six-year span, now that I've officially achieved intelligence geezerdom, I do try to think in historical terms. I did a couple combat tours in Southeast Asia -- my war -- particularly the first one in 1965. And I remember how intelligence was done then, and how it's done now, and the

tremendous changes that have accrued, primarily because I think of the technology that we've been able to master, not to say there's not more to be done, but I think that's the primary change that's occurred.

You know, for me, as lieutenant in Vietnam in 1965, automation was acetate and grease pencil and two corporals, and communications was a 60-word-per-minute teletypewriter that did not work during the rainy season. So, we've come a long way. I served as the chief of Air Force intelligence during Desert Storm and all the difficulties we had then, particularly with moving imagery to the then CENTCOM AOR and the rather loud complaints from General Schwarzkopf, and justifiably so, about the inability of us to move in a timely way the massive intelligent data we were collecting here, which sort of Beltway-focused, that we had great difficulties getting out to the AOR. And that has changed.

Of course, I'm part of an institution that was grounded in the Cold War. And, much of the fundamental attributes of the intelligence community today, yet, are legacies of that -- the investments and the practices that we developed, some of which are outmoded anachronisms that grew out the Cold War. Mike Hayden may not have been the first to articulate this, but I always thought it was an effective metaphor, in that, in the heyday of the Cold War, the Soviet Union, the enemy we grew to know and love and lost, and where it was easy to find our potential targets -- so we did a great job of counting airplanes, ships, military formations, missiles, whatever it was.

It was easy to find, very hard to fix and finish. And now, we have exactly the antithesis of that with the kind of targets that we're pursuing today who are quite hard to find -- very fleeting, very elusive -- but once we do find and fix them, it's pretty easy to finish them. So that has a very profound effect on the way we do intelligence, which, of course, now as we segue into the Af-Pak strategy, that, of course, has implications for what we're trying to do in intelligence.

The DNI and I have been working closely on that as he has set up, essentially, an Af-Pak mission manager to oversee the efforts of the intelligence community as we pursue this new strategy. One of the things I've been working on hard in the department, which is actually commissioned by Secretary Gates, is what's called the ISR Taskforce -- the Intelligence-Surveillance-Reconnaissance Taskforce -- which has been a thing he's put, kind of like MRAPS, a lot of emphasis and focus on.

That's run out of my office by Air Force Lieutenant General Craig Koziol, and he chairs a group of -- sort of a matrix-managed organization. The basic objective is to accelerate the acquisition, the procurement, and the fielding of ISR resources. Now, in the minds of many, that simply suggests creating a solar eclipse with UAVs. And, yes, we are trying to field a lot of unmanned aerial vehicles, which, of course, has become the staple, if you will, in this find-finish-fix cycle as we now practice it in the CENTCOM AOR.

So there's been -- as that has -- it's not really -- ISR is no longer sort of a support enabler; it kind of drives everything else. It drives operations. So there's been a voracious appetite that has arisen for as much ISR as the industrial base can turn out. But I would hasten to add that it isn't just metal in the sky, whether manned or unmanned, and we are fielding a great many unmanned aerial vehicles -- Predators and Reapers and the like -- as well as small, manned aircraft, which have both a signal intelligence and full-motion video capability.

And so we're trying to rapidly accelerate that. Originally, the objective was to phase that in, particularly in Afghanistan, as our troop surge builds up here over the next several months. Additionally, I would be remiss, having served as director of two of the agencies for almost nine years, that the role that the combat support agencies play, and I'm speaking specifically of NSA -- the National Security Agency -- and the National Geospatial Intelligence Agency and Defense Intelligence Agency, the latter two of which I've had the honor of serving as director. They have a large, large presence. So all the things you hear about ops tempo affecting our military applies as well to the civilian agencies, which have also sustained eight years of ops tempo in Iraq and Afghanistan.

We have, you know, a lot of challenges in -- as you well know better than I, I think -- in both Afghanistan and Pakistan. I was there about six weeks ago -- traveled around with a former speaker here, Mike Vickers, who is assistant secretary of defense for special operations/low-intensity conflict, counternarcotics, and a whole bunch of other things I can't remember. But I think he spoke to this group in October, and Mike, as you may know, is also a holdover left over from the previous administration and he's somewhat of a legend in the special ops world.

So it was a real interesting and very useful tour for me, since we did a heavy focus on special operations capabilities and locations. And I saw some great examples of the really tremendous work that our special operations forces -- our soldiers, sailors, airmen and Marines -- do out there. And I think particularly, in personal opinion at least, in Afghanistan, which is much different than Iraq for lots of reasons, not the least of which is just the whole political arrangement there, the terrain, the size of the country, the very undeveloped infrastructure, lines of communication, et cetera, makes for a very challenging, very daunting environmental situation there.

And my own view is that this is kind of built for a classic counterinsurgency kind of thing. I think we're going to win this on a village-by-village, valley-by-valley basis. And there's to be a heavy focus, I think, and I think potential for success, depending on how we manage the whole spectrum of special operations -- not just taking out high-value individuals or high-value targets, but sort of the nation-building thing, providing security locally in Afghanistan and particularly, I believe, the old saw about all politics being local really applies.

Traveling to Pakistan was extremely interesting. I hadn't been there last -- last trip I had taken to Pakistan was in 1994, I believe, when I was director of DIA. And I was last in Peshawar forty years ago in 1969, and the security situation there is of great concern. Since that time, you know, the Pakistani army has engaged in Swat and using the Pakistani army to put down -- regain the lost province of Swat. And I think this is actually a good sign. This, of course, in turn, unfortunately, has generated a tremendous humanitarian crisis of some 1.7 million displaced people -- [an] estimate I heard this morning.

And so now the army is going to have to turn to dealing with that, and they are. General Kayani, with whom I met -- Mike and I met when we were there -- who strikes me as a military professional trying to keep the army, which means the military in Pakistan, on the straight and narrow, nonpolitical course, which is probably going to be a challenge for him. Anyway, they just appointed the same general that

ran the relief effort when they had the earthquake in Pakistan, which is another good sign. And hopefully, that will facilitate the flow of humanitarian aid, particularly through nongovernmental organizations.

Obviously, the objective here is to deter, defeat, destroy, dismantle the militant sanctuaries, be they in Afghanistan or Pakistan. One of the things that, again, [is] very evident to this group, no news to you is, you know, the Durand Line, which was laid out to separate Afghanistan and Pakistan, obviously doesn't have a lot of meaning since that doesn't comport with the tribal boundaries that exist there.

Same time, we have to remember that both countries are sovereign political entities -- particularly Pakistan is very sensitive about that and about our being too intrusive. And they're very sensitive about a U.S. footprint on the ground in Pakistan. So we just have to acknowledge that and work around it. I think with that, I will stop talking and turn -- open the floor up to any questions about anything I've mentioned or anything else on your mind. And I'll try to answer it or tap dance -- one or the other. (Laughter.)