

NATIONAL PRESS CLUB NEWSMAKER LUNCHEON WITH JOHN NEGROPONTE,
NATIONAL INTELLIGENCE DIRECTOR

TOPIC: THE ONE-YEAR ANNIVERSARY OF THE DIRECTOR OF NATIONAL
INTELLIGENCE

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MR. SALANT: Good afternoon, and welcome to the National Press Club. I'm Jonathan Salant, a
reporter for Bloomberg News and president of the National Press Club.

I'd like to welcome club members and their guests in the audience today, as well as those of you
watching on C-SPAN.

Please hold your applause during the speech so we have time for as many questions as possible.
For our broadcast audience, I'd like to explain that if you hear applause, it is from the guests and
the members of the general public who attend our luncheons, not from the working press.

The video archive of today's luncheon is provided by ConnectLive and is available to members
only through the National Press Club website at www.press.org. Press Club members may also

get free transcripts of our luncheons at our website. Nonmembers may buy transcripts, audiotapes and videotapes by calling 1-888-343-1940. For more information about joining the Press Club, please call us at Area Code 202, 662-7511.

Before introducing our head table, I'd like to remind our members of future speakers. On April 27th, Christina Norman, president of MTV Networks, will discuss "The Permanent Youth Revolution: Building Tomorrow's Leaders." On May 8th, Senator Russ Feingold, the Wisconsin Democrat, and on May 9th Dr. King Jordan, the president of Gallaudet University.

If you have any questions for our speaker, please write them on the cards provided on your table and pass them up to me. I will ask as many as time permits.

I'd now like to introduce our head table guests and ask them to stand briefly when their names are called. Please hold your applause until all of the head table guests are introduced.

From your right, David Morgan, intelligence correspondent with Reuters; Donna Leinwand, a reporter for USA Today and treasurer of the National Press Club; Marc Heller, Washington correspondent for the Watertown Daily Times; Katherine Skiba, Washington correspondent with the Milwaukee Journal Sentinel, and a member of the national Press Club Speakers Committee; Vice Admiral (retired) Scott Redd, director of the National Counterterrorism Center; Alison Bethel, the Washington bureau chief of the Detroit News and a member of the board of governors of the National Press Club; Judith Emmel, director of public affairs for the Office of the Director of National Intelligence; John Hughes, Bloomberg News, the chair of the Speakers Committee.

Skipping over our speaker for a moment, Barb McLeod, president of the American Newswomen's Club and a member of the National Press Club Speakers Committee. And she's the woman who organized today's luncheon. And Barb, thank you very much.

Ambassador Ken Brill, director of the National Counterproliferation Center; Rick Dunham, White House correspondent for Business Week magazine and the immediate past president of the National Press Club; Susan Crabtree, senior editor of The Hill and a former member of the club's board of governors; Ellie Stables, the intelligence, defense and foreign policy reporter for Congressional Quarterly; and Jeff Bliss, the intelligence and homeland security reporter for Bloomberg News. (Applause.)

A year ago this week, the Senate confirmed John Negroponte, a career diplomat, as the first National Intelligence director.

His task: to fix an intelligence-gathering system that missed 9/11 and was, according to a presidential commission, dead wrong about whether Saddam Hussein had weapons of mass destruction.

Ambassador Negroponte has spent the first year of administration trying to get 15 intelligence agencies to talk to each other, sharing information that could help the U.S. prevent another terrorist attack.

How has he done? Well, today's New York Times reports that the Democratic and Republican leaders of the House Intelligence Committee fear that Ambassador Negroponte is doing nothing more than creating another level of bureaucracy. The Government Accountability Office, the investigative arm of Congress, said this week that the Bush administration had yet to improve the sharing of intelligence among federal agencies.

For his part, Ambassador Negroponte has said that his work has just begun and that agencies are feeding information about potential threats to the National Counterterrorism Center.

And Senator Pat Roberts, the Republican chairman of the Senate Intelligence Committee, said that the fact that the U.S. has not experienced another terrorist attack since 9/11 speaks volumes about how Ambassador Negroponte is doing.

Ambassador Negroponte served in Saigon during the Vietnam and then worked in the National Security Council during the -- President Nixon's administration. He returned to the NSC under the first President Bush. President George W. Bush named him ambassador to the United Nations in 2001, and he later became the first U.S. ambassador to Iraq since before the 1991 Persian Gulf War.

Director Negroponte also has served as ambassador to Mexico, to the Philippines and to Honduras. His Honduras tenure was a source of some controversy. Senator Tom Harkin, an Iowa Democrat who was one of only three senators to oppose Director Negroponte's confirmation as ambassador to Iraq, said there were questions about whether he knew of human rights abuses in Honduras, which, at the time, was the base for the Nicaraguan Contras fighting to overthrow the Sadinista government.

Economists once wrote: Over the years, Mr. Negroponte has developed a reputation as a poker playing -- poker-faced diplomat who never portrays his personal views.

We hope the ambassador will show his cards today. (Laughter.)

Let's welcome Ambassador Negroponte to the National Press Club. (Laughter.)

MR. NEGROPONTE: Thank you, Jonathan. I have written here, "Thank you for that kind introduction" -- (laughter, laughs). We'll let that stand. (Laughter.)

I'm honored to have the opportunity to speak at the National Press Club on the occasion of the first anniversary of the Office of the Director of National Intelligence, and I'm delighted to see a number of friends and acquaintances in the audience.

And I want to particularly mention Peter Hickman, with whom I served in the United States embassy in Saigon during the Vietnam War, and I also want to mention that Rick Dunham was a colleague when I was an executive vice president at The McGraw-Hill Companies from 1997 to 2001, during the one -- the only four-year stint -- or the only stint that, in my adult life, that I have had in the private sector.

So it's great to see all of you again.

The United States intelligence community comprises almost 100,000 patriotic, talented and hard-working Americans in 16 federal departments and agencies. They are stationed all over the world, many in dangerous locations, separated from their families. Their contributions to protecting America today and making it safer tomorrow are vital to our national security.

To the extent the requirements of secrecy permit, the country should know what they are doing, why they are doing it and how well they are doing it. Public understanding is important. That is why my office published the National Intelligence Strategy last fall, to identify the key challenges the intelligence community faces, and to be accountable for implementing what President Bush has called -- and I quote: "The most dramatic reform of our nation's intelligence capabilities since President Harry S. Truman signed the National Security Act of 1947," end of quote.

We live in a world that is full of conflict, contradictions and accelerating change. Viewed from the perspective of the director of National Intelligence, the most dramatic change of all in the last 15 years is the exponential increase in the number of topics and targets that we must identify, develop, track and analyze.

Globalization, the elusive technologies and personnel that can produce weapons of mass destruction in unlikely places, political instability, the nuclear programs of Iran and North Korea, insurgency and terror in Iraq and Afghanistan, the rise of emerging powers and of course the anti-Western, radical jihadist movement require a strong, effective and, above all, thoroughly integrated national intelligence community.

Integrating our intelligence community -- foreign, military and domestic -- is a tall order. Today I would like to talk to you about what the office of the director of National Intelligence is doing to fill it, our immediate actions and our ongoing agenda for change.

We have been charged with implementing the Intelligence Reform and Terrorism Prevention Act of 2004 and the vast majority of the recommendations made by the Silverman-Robb -- Silberman-Robb WMD Commission.

That amounts to around a hundred reform tasks; some of which are major institutional innovations, most of which are system-wide procedural improvements. That is a lot of work, but by working hard, we have made substantial progress.

Intelligence reform has not been a theory-based experiment or an exercise in bureaucratic bloat. Government programs require government officials to implement them. My last three overseas embassies were larger than the Office of the Director of National Intelligence. It's only April 20th, but already this year, the ODNI, the Office of Director of National Intelligence, has been asked to testify or brief congressional members or staff more than 150 times on a range of intelligence topics, including how the ODNI is managing the intelligence community, one of our key responsibilities under the intelligence reform legislation.

From day one of the ODNI, the business of intelligence and the business of reforming intelligence have proceeded concurrently, affecting and improving one another. As we drive reform forward, we in the intelligence community are supporting a war against terror. Intelligence is supporting major operations against insurgents and terrorists in Iraq and Afghanistan. We are analyzing political instability and potential conflicts in Europe, Asia and Africa. We are managing critical information networks, maintaining the database that supports terrorist watchlisting, and assessing losses when sensitive information has been compromised.

Our strategy focuses on protecting the nation today, making the nation safe for tomorrow, and building a stronger intelligence community right now. It requires aligning intelligence community members with these objectives so that we can optimize the community's total performance, as opposed to optimizing its members' individual operations. We are in the process of remaking a loose confederation into a unified enterprise. This will take time, certainly more than a year. But with the right approach, it can be done.

You all know Washington, so you will understand that by creating a new budget structure built against intelligence community strategic objectives, not the individual and sometimes competing objectives of the intelligence community's constituent parts, we are harnessing a powerful integrating force. This structure will be in place for the fiscal year 2008, but we have not waited until FY 2008 to make important budget decisions.

I began to exercise the new budgetary authorities that the reform legislation grants the DNI last summer. My first major programmatic decision was based on an in-depth analysis of present and future imagery capabilities and requirements, and the technical risk associated with acquisition strategy to meet those requirements. I decided that we were on the wrong track. My decision broke a lengthy impasse and provided the intelligence community on imagery way ahead.

As the director of National Intelligence, I began serving as principal adviser to the president on intelligence matters on my first day on the job. Advising the commander in chief and his national security team is obviously a vital aspect of protecting the nation today. There are some who think it is too burdensome for a DNI to carry out this responsibility. I do not agree. Managing the reform process well is vital, but the basis of intelligence reform, like the basis of intelligence itself, must be substance, not process.

To exert community-wide leadership, you have to continually assess the community's most important intelligence in a context where you can appreciate its relevance to national security. Otherwise, you are too detached from the actual work of the enterprise that you lead.

In addition to the major contributions of the CIA, I have invited other community members -- for example, the Defense Intelligence Agency, the National Security Agency, the Bureau of Intelligence and Research in the State Department and the FBI -- to support the president's daily intelligence briefing. The president and his national security team need to hear from them, and they, in turn, need to meet that challenge.

Analysis is the capstone but not stand-alone product of intelligence work. Mirroring the way we are supporting the president and his senior national security team, we are providing intelligence

to all of our customers that is based on the full integrated power of the intelligence community's analytic core. To do this, among other things, we are mapping exactly what each component does; optimizing the division of labor across the intelligence community, while taking advantage of complementary overlaps to capture and nourish alternative views; making it possible for our analytic managers and analysts to collaborate effectively by removing impediments to information-sharing and database access; defining and enforcing rigorous tradecraft and information-sharing standards; and enabling analysts to provide coherent, prioritized operational guidance to collectors.

Contrary to the common perception, we have already achieved several successes in key areas such as information sharing. Much remains to be done to make the underlying mechanics more transparent and efficient, but we are making progress by sharpening our focus and refining our approach with an ever-expanding circle of mission partners as we move forward.

The same is true in the critical dimension of the intelligence community's science and technology efforts, where we have already empowered some of our most creative scientists to break new ground. These innovations fall under the category of systemwide procedural reforms, all subject to review both by our inspector general and by our civil -- civil liberties protection officer.

Now let me turn to the category of major institutional innovations, focusing first on how the ODNI is addressing two major threats that America faces, terrorism and weapons of mass destruction proliferation, and then on how the ODNI is helping integrate homeland and foreign intelligence collection and production.

The National Counter-Terrorism Center -- whose director, Admiral Scott Redd is with us this afternoon -- serves as the primary organization in the United States government for analyzing and integrating all intelligence pertaining to terrorism and counterterrorism. Building the NCTC's resources and shaping its role in the intelligence community has been one of my central concerns.

My first important action was to recruit Admiral Redd, who was the former executive director of the Silberman/Robb WMD commission, to serve as the NCTC's first permanent director.

I highlight this fact because I believe that strong leaders are a key factor in creating strong institutions, and that is what Admiral Redd is doing at the NCTC.

The center is a critical component in fighting the war on terror. It provides terrorism and counterterrorism analyses for the president's daily intelligence briefing. It provides the National Terrorism Bulletin for senior policymakers and intelligence community alerts, advisories and assessments for other customers throughout the government.

At NCTC, the nature and extent of information-sharing about terrorism is unprecedented. Information from 28 different systems flow into the NCTC, which collects, collocates representatives from the Homeland Security, Defense and intelligence communities. The American people should know that the National Counterterrorism Center is on global alert 24 by 7. To keep counterterrorism officials throughout the government in constant contact, NCTC

holds community- wide secure video teleconferences three times a day. When Admiral Redd concluded that the NCTC lacked sufficient qualified staff to fulfill its mission, I used my authority to order the transfer of counterterrorism experts from elsewhere in the intelligence community to serve under his direction.

Terrorism is the preeminent threat to our national security. The second major threat, WMD proliferation, weapons of mass destruction proliferation, could easily become the primary threat if such weapons fell into the hands of terrorists.

Our response to the WMD threat has been to create the National Counterproliferation Center, under the leadership of Ken Brill, whom we previously introduced to you, a former United States ambassador to the International Atomic Energy Agency.

Established last December, the NCPC already is coordinating strategic planning for the entire intelligence counterproliferation community and working closely with the Counterterrorism Center. Ambassador Brill has recruited a world-class staff to oversee all the intelligence community's collection and analytical capabilities on weapons of mass destruction.

One very important NCPC role is played by our new biological threats advisor. A very important NCPC function is promoting science and technology innovations that will help us across the entire intelligence community in countering weapons of mass destruction proliferation. We already are using the seed fund that we have created to achieve that goal.

The decade following the end of the Cold War was good for terrorists and WMD proliferators, but not good for the United States' human intelligence capabilities. Like the rest of the intelligence community, human intelligence shrank. President Bush put our human intelligence cadre on a path to reclaim lost ground before the creation of my office. But now my assignment is to ensure that all human intelligence is focused, coordinated, and trained to exacting standards.

To this end, the director of the CIA, Porter Goss, and I announced the creation of the National Clandestine Service on October 13th of last year. The creation of the National Clandestine Service heralds a new era in the way the intelligence community is configured and outfitted to carry out our human intelligence operations. Its top two targets -- terrorism and WMD proliferation -- are not its only targets. Human intelligence is invaluable because it is flexible, adaptable, ingenious and creative. You cannot develop case officers or assets overnight, but once they are in place, they can be tasked to support an astonishing array of intelligence requirements.

The National Clandestine Service, established to set standards for human intelligence collection throughout the intelligence community, also coordinates human intelligence operations, including with the FBI, where the new National Security Branch marks one of the biggest and most important intelligence reform efforts of the past year. The National Security Branch comprises a large part of the FBI's workforce, bringing together the FBI's Counterintelligence and Counterterrorism Divisions with its Directorate of Intelligence. Already the National Security Branch has launched pilot programs in field offices across the country focused on national security training, and developed asset validation procedures to align with the intelligence community standards. Executive assistant director of the National Security Branch,

Gary Bald, a longtime FBI agent, leads the National Security Branch with CIA veteran Phil Mudd serving as his deputy. Executive Director -- Assistant Director Bald attends the weekly meetings chaired by General Hayden, my principal deputy, of what used to be called the "Big Five" intelligence community leaders. With the participation of the FBI, now it is the "Big Six." This is good for national security.

Let me emphasize that in the process of reforming intelligence, we are not trying to micromanage institutions that already have outstanding leadership in place. Instead, by working closely with that leadership, we're trying to create a new, integrated intelligence culture that closes the breach in our defenses that 9/11 revealed.

All four of the major institutional initiatives I have discussed amplify the possibilities of integrated, effective action across the intelligence community.

Since communities are sustained as much by cooperation at the personal as at the institutional level, I would like to conclude my remarks where I began -- focusing on the hard-working, risk-taking people who really drive the sober business of intelligence. Reinforcing their efforts and maximizing their impact has to be a top priority for the ODNI, and building a stronger community right now has been a personal focal point for me.

From town hall meetings to briefings to overseas travel, one-on-one encounters and more formal assessments, I can tell you that overall, intelligence community professionals like their work in the intelligence community. They believe it's important, and they derive a sense of personal accomplishment from what they do. They also have high trust and respect for their managers and senior leaders.

There are areas where we can and should improve, however. Our employees want us to do a better job recognizing high performers and addressing poor performance. I find this critique encouraging. It demonstrates professional integrity and a desire to be objective in our assessment of ourselves, just as we must be objective in assessing every aspect of the intelligence cycle. Intelligence, after all, is quintessentially a collective, community effort that requires the systematic, clearheaded dispassion of dozens and sometimes hundreds of people to collect information, analyze it and communicate it.

So ultimately, everything the intelligence community achieves is grounded in the quality, training, motivation and dedication of our personnel. In this sense, the things we already are accomplishing within our Strategic Human Capital Plan provide comprehensive expression of our effort to integrate, unite and build a better, stronger intelligence community.

Intelligence reform, like the business of intelligence itself, requires action, tenacity, patience, and good people. Perhaps most of all, it requires clear direction and solid support from the nation's leadership. The Intelligence Reform and Terrorism Prevention Act of 2004, passed by Congress and signed by the president, provided that direction and support. It gave us a mandate to support national security at home, abroad, and on the fields of battle. There will always be controversies associated with intelligence because it is an activity that, by definition, explores uncertainties and risks behind the veil of secrecy, but we are working hard to minimize those uncertainties and

risks for our leaders and the American people. In our first year we -- the ODNI and the intelligence community together -- helped protect America. Next year we will work to do the same, all the while striving to make our country safer day by day. That's the rationale for our large intelligence community, and the reason we must do our best to make it stronger all the time.

Now I look forward to your comments and questions. And would note that as instructed by Mr. Salant, you withheld your applause during the entire duration of my speech! (Laughter.) Thank you very much. (Applause.)

MR. SALANT: Let's begin with some questions about just the first year in office. What near-term successes are you hoping to achieve within information-sharing across the community, and how do you plan to achieve this success?

MR. NEGROPONTE: Well, when you think about it, since the watchword, really, of our intelligence, our National Intelligence strategy is "integration," what better way of achieving integration than through effective information-sharing. In a way, information-sharing is a major part of the enterprise.

I think at the federal level amongst the intelligence agencies, substantial progress has already been achieved. And I would recall that the National Counterterrorism Center has got these 28 different databases with representatives from all the key intelligence agencies located at that center. It has developed various products that get out to the community as a whole. And I think in terms -- compared to the situation that existed on or before 9/11, we have come a long, long way in terms of moving information from right to left across the horizon of the intelligence community. And I think the more traditional view of the intelligence community as a group of stovepipes each herding their own and corralling their own information, keeping it to themselves, I think is really becoming an image of the past.

We also have a chief information officer whose job is to look at -- for the ODNI, a senatorially-confirmed position, and Major General Dale Meyerrose, a retired major -- Air Force major general, who has taken on the challenge of looking at the architecture of the entire intelligence community with respect to information-sharing and other chief information-sharing type offices' functions.

And then, lastly, I would mention that we also have situated at the Office of the ODNI, the program manager for Information-Sharing, which is a government-wide function -- that was created by the Congress and which has been situated in our office -- that deals with the issue of sharing terrorist information, not necessarily just intelligence, across the government as a whole and also with state, local and federal -- state, local and tribal entities.

So there's a lot of work going on in this area. I think it's much more agile than it used to be, and I'm satisfied that. For example, if we obtain a critical piece of intelligence in Waziristan on the Afghanistan-Pakistan border that relates to some threat that might be developing somewhere in the United States or in Western Europe, you can be assured that that information is getting to the people who need to know it right away.

MR. SALANT: This questioner says that he worked for the Defense Intelligence Agency, and the analysts there had a stamp marked "Military Eyes Only," that such documents couldn't be released beyond the Pentagon, not even to the CIA. How do you handle this?

MR. NEGROPONTE: Take away a stamp. (Laughter, scattered applause.) I mean, that's part of what we're talking about here. (Scattered laughter.) If you want me to amplify it -- no, I better not. (Laughter.) Quit while I'm ahead. Here we go.

MR. SALANT: Has the quality of intelligence analysis improved in the last year? And given the emphasis on high-priority targets, are low-priority targets getting enough attention?

MR. NEGROPONTE: Right. Has analysis improved? I believe it has, and that's from a personal point of view. I think that's been one of my highest priorities. We can't afford to repeat the mistakes that led to the WMD fiasco with respect to Iraq. So we have spent a lot of time working on the, what you might call, the lessons-learned issues from that experience: source validation, double checking our information, testing intelligence against various hypotheses, because one of the great temptations in life is to look at a piece of information and say, "Ah! That confirms my preconceived notion of what in fact is happening;" whereas, it might also be information that supports a completely difference hypothesis. So we've worked very, very hard to improve our analytic tradecraft, and that is going to be a constant area of interest and concern.

Another way we've gone at the issue of analytical quality has been that we have, as directed or as suggested by the Silberman-Robb report, created the position of an analytic ombudsman within the ODN; a very respected professor from Georgetown University whose job is going to be basically to look at reports that we've done on very critical issues and to then really test them very severely with respect to the analytic tradecraft, the work that was done to verify sources and so forth, and also to receive complaints from anywhere in the intelligence community where people think -- where analysts believe that tradecraft -- our tradecraft standards may in one way or another not have been scrupulously observed.

And lastly, with respect to the question of hard targets -- that obviously is the principal priority. We've talked about North Korea and Iran, WMD proliferation and terrorism. These are the areas that we have to focus our efforts on.

Are we doing it at the expense of other priorities? Well, we have a mechanism within the intelligence community which I revitalized during the course of this year, which is the called the National Intelligence Priorities Framework. And this is a listing, if you will, of the top priority topics for intelligence and collection analysis throughout the community, which has been approved by the National Security Council and the president, and that is our guide, if you will, for what issues we will focus our collection efforts on and our analytical efforts on. And it's a pretty broad list, so I think that other important topics besides the hard targets also get due attention.

MR. SALANT: This questioner wants to know how effective can you be when most of the intelligence budget is controlled by the Department of Defense.

MR. NEGROPONTE: Not -- not correct. Our budget is in the Pentagon budget. It is a -- it is a compartment of the Pentagon budget. But both the law directs and the president has explicitly stated that as far as what we call the national intelligence budget is concerned, I am the government official who is -- in the executive branch responsible for recommending both to the president and to the director of the OMB what our national intelligence budget should be.

Now, there is also a portion of the DOD's intelligence budget, if you will, that is for -- explicitly for the support of our combatant commanders and for tactical intelligence support, and there are those elements of the Defense Department's budget that are strictly under the Defense Department's purview.

But we have the largest share of the national intelligence budget. Obviously, it is a collaborative enterprise, and we work together in determining and try to decide how we want to allocate these resources. But I have the final say within the executive branch with respect to recommending that national intelligence budget to the president.

MR. SALANT: It's been said that about three dozen top al Qaeda leaders will likely remain in custody for the foreseeable future. Are there any plans to prosecute them? If so, when? If not, why not?

MR. NEGROPONTE: Well, it's true that a number of the senior al Qaeda leaders have been apprehended. They have provided some invaluable intelligence information with respect to the war on terror and have been extremely useful in providing information that can be used in following up other leads with respect to the activities of al Qaeda. And I can't -- I don't -- it's -- I can't overstate the importance of that information in the prosecution of the war on terror, and we believe that it certainly would be a mistake to turn these people loose while the war on terror is going on. Surely, at some point it would be -- it may prove desirable that they be brought to prosecution, to face justice. But that is something that I think will have to be decided in the future.

MR. SALANT: Speaking of al Qaeda, have we gotten any closer to catching Osama bin Laden over the past year? And is the intelligence information flow about him growing, lessening or remaining the same?

MR. NEGROPONTE: I think that first -- the first thing I'd say about Mr. bin Laden is that I believe his range of action, his operational capacity has been substantially diminished since the year 2001. He no longer has a sanctuary from which he can operate with impunity, as he did when the Taliban governed Afghanistan. And I think his style has been cramped. He's hiding -- in hiding somewhere, we believe, in the Pakistan/Afghanistan border area, and I don't believe is nearly as operationally active as he previously was.

It would, of course, be desirable that he be captured or killed at the earliest opportunity. And one could say that about him as well as his deputy, Mr. Zawahiri, and others. We wish that this might have happened sooner. But on the other hand, I think it would also be fair to point out that since 9/11, many, many of Mr. bin Laden's principal lieutenants and deputies have been captured or

killed. And his high command is not nearly what it used to be. And I think this, too, has diminished the operational effectiveness of the al Qaeda movement.

So I think we've dealt them a number of body blows, but we haven't yet dealt a knock-out blow to Mr. bin Laden himself.

MR. SALANT: What steps have been taken toward rigorously examining new intelligence to avoid providing faulty intelligence like that of WMDs in Iraq?

MR. NEGROPONTE: Well, I talked about some of them earlier with respect to the efforts we're making in the analytic area: source verification, the ombudsman, common analytic standards across the community.

I think one of the good things about involving -- even though the CIA still does the lion's share of preparing the President's Daily Brief, by bringing in the other top intelligence agencies into that process, I think we're helping encourage a very high level of analytic tradecraft across the community.

So there are many efforts under way to improve our analytic prowess, our analytic skills, as well as verifying our sources of information.

One other thing we do much more than we did in the past is to encourage alternative analyses, take a whole group of facts or intelligence, and ask a group of smart people to try and build an entirely opposite hypothesis with the same set of facts, which is -- can be a very useful exercise at times, and stratagems of that kind.

But we're certainly very mindful of the lessons from the WMD difficulties that we had before, and certainly are making every effort we possibly can to avoid repeating them.

MR. SALANT: How far along is Iran in its nuclear program? Are you troubled about the recent announcements? And has the intelligence community analyzed the impact of military action against Iran's nuclear facilities?

MR. NEGROPONTE: The developments in Iran are -- clearly they're troublesome: the fact that they had an undeclared nuclear program for a number of years until they were discovered; the fact that they have resumed enrichment activities and have now got these 164 centrifuges spinning, with a view to enriching uranium to a level that is -- can be used as fissile material for a nuclear weapon.

I think there's also concern about the new leadership of Iran, particularly President Ahmadinejad and some of the extreme statements that he has made during the course of -- the tenure of his presidency. So there's a whole host of reasons to be concerned about the behavior of Iran at this particular point in time.

But I would say and I would add that by the same token, our assessment at the moment is that even though we believe that Iran is determined to acquire or obtain a nuclear weapon, that we

believe that it is still a number of years off before they are likely to have enough fissile material to assemble into or to put into a nuclear weapon, perhaps into the next decade, so that I think it's important that this issue be kept in perspective.

MR. SALANT: What is the evaluation of your department on the -- North Korea's threat against the U.S.?

MR. NEGROPONTE: The -- I think, unlike Iran, our assessment with respect to North Korea is that they do have nuclear weapons. It's an assessment.

We don't know it with absolute certainty, but we certainly do know that they have processed enough fuel to have a quite significant supply of plutonium. And we know for a host of other reasons that they've had a nuclear weapons program for some years now. So North Korea is also a source of great concern, and I think that concern is shared by the countries neighboring on North Korea, and that's why there have been these six-party diplomatic talks involving ourselves and China and South Korea, Russia and Japan. And that is the channel in which our energies are directed at this particular time.

I might mention with respect to both North Korea and Iran -- and again, following the recommendations of the Robb-Silberman report, we have created mission managers for both Korea -- North Korea, and for Iran, where we have assigned one officer in my office the responsibility, working with a small staff -- these are not large centers, but with a small staff, and then a virtual community of interest with respect to both of those issues, to follow every aspect of the Korea -- the North Korea and the Iran situations. And that approach of having mission managers for these two issues, whose responsibilities stretch across the entire community, has proven to be a very useful device.

MR. SALANT: Can you confirm or deny recent allegations that Russia shared wartime intelligence with Iraq?

MR. NEGROPONTE: That must come from my friend in TASS. He asked me that question -- (laughs; laughter) -- during the break.

You know, very honestly, I think there have been some documents released on one of our websites from -- documents that had been captured, Iraqi documents that had been captured at the end of the war. And there are some allegations that stem from those documents.

To my understanding, that information has not been confirmed, at least I don't believe it's been confirmed that the government in Moscow itself was witting to any of the activities that took place, although perhaps the Russian ambassador in Baghdad was involved in some of these activities. But frankly, I'm not aware that this information has been definitively confirmed.

MR. SALANT: As the former ambassador to Iraq, what are the prospects for success in that country? And specifically, can you talk a little bit about the machinations going on to develop a coalition government?

MR. NEGROPONTE: Yes, I spent nine months as ambassador to Iraq, from the time -- the period when we transitioned from the Coalition Provisional Authority to the interim government.

And I think that today, as back then, it seems to me the two most important issues are first of all carrying out the political process in Iraq that was laid out in U.N. Security Council Resolution 1546.

And I think that you've got to express -- you've got to have a sense of admiration for what the Iraqis have been able to accomplish under extremely difficult circumstances: the holding of two elections, a -- the drafting of a -- first, an election, then the drafting of a constitution, then a referendum and then another election.

And so this political process is extremely important.

It's taken a while since the elections late last year to form a new government under this constitution. I think we're all hopeful that there may be some kind of movement on that front in the near future. I would hesitate to predict exactly when. I do believe it's important and urgent that they do form a new government under the constitution because I think it's only when the new government is formed and they have a new president and prime minister and new Defense minister and a new minister of Interior that they're going to be able to take on some of the serious challenges that are posed by the sectarian violence that is currently occurring in that country. But I think that this is an issue they can deal with.

And I think the other important element is strengthening the military and the police forces in that country, the army and the police forces. And I think there there's been quite a bit of progress, particularly with respect to the army. Certainly there's a much more effective army today than there was when I got to Baghdad in June of 2004, when there were barely two or three battalions in the Iraqi army at that time, and today there are more than 100.

So I'm hopeful that there can be continued progress in both of those areas, both the political process and the security process, although there's no denying that it's an extremely challenging situation.

MR. SALANT: We have questions on either side of the controversy over warrantless wiretapping.

One questioner asks that if the surveillance program is so important, why aren't we reading about al Qaeda members or allies being arrested in the United States?

The other person writes, "Has the public disclosure significantly hurt the intelligence take? And if so, in what ways?"

MR. NEGROPONTE: Well, I think any public disclosure of intelligence-related information is going to hurt us in one way or another, whether it has to do with the revelation of sources and methods, or discouraging the dedicated, patriotic intelligence officials who are carrying out these

activities, or prejudicing somehow very important liaison relationships that we have with other intelligence services around the world.

Because you got to remember that some of the intelligence information that we get, and in fact sometimes some very crucial intelligence information comes from other intelligence services around the world. And if that kind of information gets leaked, well you can imagine what that does to the level of confidence between ourselves and our counterparts.

So leaks, as a general proposition, both damage national security and undercut our effectiveness.

MR. SALANT: Before we ask our last question, I'd like to offer you the official National Press Club coffee mug, suitable for sipping a beverage when you get the intelligence briefing each morning. (Laughter.)

MR. NEGROPONTE: Thank you.

MR. SALANT: And also a certificate of appreciation.

MR. NEGROPONTE: Thank you very much.

MR. SALANT: Thank you very much.

(Applause.)

For our final question: A year from now, when you deliver your two-year progress report, what successes do you hope to be able to tout?

MR. NEGROPONTE: That's -- gee, I wish I'd thought of that question myself, I would have -- (laughter). A year from now. Here are some of the areas.

I think in information-sharing, for example, I think we probably would want to see more progress being made not so much horizontally across the community, but down to state and local and tribal, because I think that's -- and also information coming up. I think that would be one area that I would mention.

In the area of human resource development, I think we want to be farther along in terms of building a community-wide personnel policy. For example, one area that we've agreed to in principle at the moment is to have a policy of joint tours, very much along the lines of the Goldwater-Nicholas Act, and requiring that an individual in the intelligence community, in order to get into the Senior Intelligence Service, have served in another agency in some capacity in order to get promoted into the Senior Service, just the way the Goldwater-Nicholas Act stipulated that people in order -- officers, in order to advance in the military, had to have had joint service of some kind or another. And as you know, that was a law passed in 1986, and it took a number of years for it to start really kicking in.

But -- so we've agreed in principle on the idea of joint tours of duty. Someone in the CIA, for example, going over to work in the DIA, or someone in the NSA working in the FBI, and so forth. Now what we've got to do is identify the actual positions that people would go to that would qualify for jointness. So that would be another example of the kind of effort that we would hope would move along.

And of course in the war on terror, I would hope that I would have more positive news to report with respect to the efforts that are being conducted against al Qaeda and its affiliates along -- around the world. So there are just maybe a few samples of what we hope to achieve.

But the watchword, as far as I'm concerned, is integration -- that's the key thing -- and building a better sense of community across these 16 agencies, developing common policies and standards, where that makes sense, and empowering these agencies to do the best possible job.

But I just want to thank you again very, very much for this opportunity to be with you and speak to you this afternoon, and look forward to giving you a progress report at some suitable moment. Thank you very much. (Applause.)

MR. SALANT: I'd like to thank everyone for coming today. I'd also like to thank National Press Club staff members Melinda Cooke, Pat Nelson, Jo Anne Booze and Howard Rothman for organizing today's lunch. And thanks to the club's Eric Friedheim Library for its research. We're adjourned.

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