

General Michael V. Hayden
Principal Deputy Director of National Intelligence

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Bob Callahan (ODNI Director of Public Affairs): It's my pleasure to introduce to you General Michael Hayden who is the Principal Deputy Director of National Intelligence. This is an on the record briefing. You can attribute it to General Hayden. He's got a fair amount of time. He'll open with a few brief statements and then take your questions. When you ask a question please identify yourself by name and organization. General Hayden?

General Hayden: Thanks.

I'll be very brief at the beginning. One way we could have done this was to have gone through what I thought were the more important recommendations, but I think most of you are very well aware of what the recommendations are, what have been accepted and so on.

Let me kind of give you a tactile sense as to what it is we think our role now is here in the Office of the DNI.

First of all from our point of view all the recommendations that the President accepted were on the same trajectory that we believe we were already on, based upon the legislation and based upon the direction that the President has given the Ambassador. If anything, my personal sense is same trajectory, more velocity, more momentum based upon these recommendations.

Actually it gives us a very useful tool, support mechanism -- pick the right word. But essentially to push forward at an even quicker pace.

The second point I'd make is you should take away from the session that Fran [Townsend] just had across Pennsylvania Avenue, that in almost all instances now implementation of these recommendations are in the hands of the Office of the DNI or in the hands of the DNI.

Quite appropriately, work up to this point was centered in the White House. We were a full participant and there were bodies of interagency groups that we labeled clusters to look at this, but fundamentally this was a Presidential Commission created by Executive Order, reporting back to the President. Obviously the next step in that process had to be the President's acceptance or rejection of the recommendations. You saw the result of that today and now it's out for implementation, and that task largely falls to the Office of DNI.

Some of this is already underway, which I think is a good mark for the consistency of these recommendations, with both the legislation and the direction that the President has given us.

Quality of analysis. I'll pick a couple out of the air here. The staff, the planning staff that overwatches our presentation in the morning to the President now, for example, is a community task. It's built up of representatives across the intelligence community.

Another aspect of the recommendations had to do with deconfliction. And I think most of you already know that an MOU between CIA and FBI has already been signed on deconfliction of activity and there's another one waiting in the wings between DoD and CIA that will be signed by those agencies, but its implementation, the oversight and implementation will be done by the DNI.

There's a fair piece in there about science and technology. We've already selected a Chief of Science and Technology. It talks about technology innovation in the recommendation. We've got a great Chief of Science and Technology in Eric Haseltine, who the last three years was at NSA and before that at Hughes' Corporation and Disney. And Eric has already set up a council that's recommended both by the legislation and by the Commission. They've already been meeting and they're moving forward.

With regard to information sharing, if you recall the legislation set up a program manager for the information-sharing environment. I think quite correctly the President has put that office, even though the legislation didn't, the President has put that office under the authority, direction and control of the DNI, so that there can be consistency between the DNI's information sharing responsibilities and this additional body set up by the legislation.

I guess the last point I'd make beyond trajectory and velocity, implementation, largely over here - - some of it's underway -- the last one is a fairly high degree of transparency first within the community. I mentioned those clusters earlier that worked on this. Those are interagency groups that put together the recommendations that were made to the President on the recommendations of the WMD Commission.

Yesterday in this room I had the 15 agencies in here walking them through, frankly, what was going to happen today and what had been accepted and where we were going.

I guess the other point I'd make on transparency is it's pretty transparent to the American public. What you got in the press kit, what you got from Fran [Townsend], what you get from me today, is a fair degree of openness in terms of the changes that we're undertaking within the intelligence community. I know it's the Ambassador's intent, obviously within certain restrictions, to continue that transparency so you can see how these recommendations now move forward in terms of implementation.

With that, I'd be happy to take any specific questions you might have.

Question: Can you talk walk us through some of the specifics that the Commission recommended and whether you're really heading all of them. For instance, will the DNI be at the President's Daily Brief or will he oversee it from somewhere else. Will the NCPC have less than 100 people, what will that building look like? If it does get big, is there concern about brain drain? What will the new human intelligence coordinator look like? Will it actually be a human intelligence director outside the DO as the Commission recommended?

General Hayden: Based on the wishes of the President, and the President said this when he

introduced Ambassador Negroponte, talking about him, the Ambassador, being present at the President's morning intelligence update. That is going on.

If you look at the legislation you can dice it in a lot of ways, but two ways to divide the job jar for the DNI is, one is running the intelligence community, and the other one is being the President's senior intelligence advisor. So his presence there in the morning for that daily update to the President is an important piece of that senior intelligence advisory role that the legislation directs that he play.

That said, I've done it. When the Ambassador is not there, I'm there. This is a product that each day is more and more created by the intelligence community as a community. Clearly if you're sitting there in the briefing you don't want to see any item cold turkey so you take a look at the items, you familiarize yourself with the items. You offer guidance on the items. After all, the Ambassador is the senior intelligence advisor.

To the degree there's a briefing, it's done by the briefer. The DNI, or in my case the Deputy, is there to move the discussion along, perhaps to add a comment or two or something like that.

On the NCPC, our window right now, our sweet spot is somewhere between 50 and 100. Here's why. What we're attempting to do with the NCPC is to create a very empowered manager for our national counterproliferation intelligence effort. Unlike the NCTC, which has a robust analytical function in itself, we don't picture the NCPC as replicating that.

Now look, you've got to have some analytic expertise in order to shape and run and direct the community. We don't envisage right now the NCPC being yet another creator of a product line. In this case in counterproliferation intelligence, NCPC will truly be a manager of the entire community's counterproliferation effort. Now, it will have all the expertise it needs to have to run it, to run that effort in the community, but again, we're not picturing a separate product line created by the NCPC. That I think allows us to steer away from any potential brain drain issue in terms of pulling people in from other parts.

The last one was on HUMINT. This [inaudible] we actually intend, and I use the word national HUMINT manager to describe what we intend to happen out at Langley. The best I can do for you on this one is to give you some sense, and I apologize for this, I'm going to slip back into my old job. As the Director of NSA, I was the National SIGINT Manager. I'm going to reason by analogy here, and we'll put a lot more detail into this as the implementation effort and the implementation plan moves forward, but this is on a pretty fast track. We're talking 30, no more than 60 days here to have this largely settled and underway.

But as Director of NSA, I was the National SIGINT Manager. And to claim that I directed or in fact even knew where every U2 or Rivet Joint was flying somewhere around the planet, that would be a very false claim. But as the National SIGINT Manager, I could tell you with pretty high confidence that the technology aboard that aircraft was reasonably relevant to the targets it was going against; that the crew in the case of the Rivet Joint, the crew in the back end, had met certain standards, certain certifications; and that the entire activity was being conducted in a

manner consistent with U.S. Law. I could do that. That I think is a pretty good sight picture as to what we think a national HUMINT manager ought to be doing.

If you recall inside the WMD thing, it criticized three agencies and as Fran [Townsend] told you that was one of the recommendations that's still hanging a little bit for resolution. One had to do with the Defense HUMINT Service, and if you roll the story back it comes to source validation. Right? Well, why would not the National HUMINT Manager set for all American HUMINT, for all agencies, the source validation criteria that will be used? Those are the kinds of things that we think a National HUMINT Manager ought to do.

Let me tell you maybe a useful, it's probably not even a by product of it, but an additional outcome of that. To the degree you've got this National HUMINT Manager doing the kinds of things I suggested, setting standards criteria, validation, and so on, to that degree people who may be in different agencies -- DoD, CIA, FBI -- conducting very similar activities, to my way of thinking they have greater confidence in one another because they're using common standards, their language has common meaning, more common meaning than it would otherwise, and you build up a culture and -- I'm sure I'll get this question before we're done, how do these changes affect the fundamental issues which may be more cultural than structural. You begin to set in place a motion that culturally builds this spirit of collaboration.

Anyway, that's where we've gotten on the HUMINT Manager, that's the intent.

Question: Can you tell us what precautions or safeguards are going to be built into the system at the new National Security Service at the FBI to reassure Americans that there won't be domestic spying beyond a tolerable level in this post 9-11 environment?

General Hayden: It's absolutely critical. You've hit upon perhaps the one recommendation that...how to put this? This is something we've not done before as a Nation. If you look at the -- it's probably not all that visible from where you sit, but if you look at the different bodies that we've inherited, or the programs. They used to have an F in their acronym. It used to be the National Foreign Intelligence Program. It used to be the National Foreign Intelligence Board. It's NIB now. It's NIP. And one of the primary thrusts of the legislation has been that we can no longer survive with such a gap between foreign and domestic. We have chosen as a people to suffer whatever security consequences we would have to suffer in the past by simply solving that problem by putting them in different rooms. The danger to the Nation now is such that, I mean the collective judgment of the Nation -- that's what that legislative process was last November/December -- the collective judgment of the Nation is no, that's not going to work.

Now it means we're changing our model, but there are other free peoples out there who have done it in a different way. And the model that everyone pops up with is MI5. I'd use other models to help inform my thinking. CSIS is not a bad one, up in Ottawa. Canadian Security Intelligence Service. They have a free people with a domestic intelligence function and liberties are preserved.

I'm pretty confident, and coming from the background I come from at NSA, which deals with these civil liberties questions routinely, I'm pretty confident we can do this and do it in a way by any reasonable judge, that American liberties are well preserved.

Question: But sir, how much does that rely on the intellectual commitment and the standards of individuals, such as yourself, are there pretensions for some future time for some other players who might not bring your value system to it?

General Hayden: Sure. Speaking from experience, and I'm sorry to refer to my old job. But I've got to tell you, at NSA, which has a history of this, that the culture there was amazing in its degree of sensitivity to this. That's a product of training and oversight both in the executive and the legislative branch. There is no reason we cannot set up the same structures, the same processes, the same oversight mechanisms and do this well with regard to now the function that the Bureau is going to strap on.

We've got an office here that was legislated to us, a very good office, a very good idea, a civil liberties protection office. We recently named an interim appointment to that job. You can imagine it's a very important job and you want a very good person in there. We're taking care to make sure we do that, but we also don't want to leave it vacant. So we've named an interim for these very reasons.

So as we kind of do these foundational documents and these first steps, we've got someone who's got that interest foursquare, so that the structures we set up are sensitive to those requirements.

Question: The Commission complained that the law left vague the DNI's power over the FBI. Can you make clear specifically how your office now intends to direct or exert authority or coordinate the activities of this new FBI's national security division?

General Hayden: In the press kit across the way was -- do you have the document -- with the direction to the Attorney General. Yes.

If you look at those enumerated things that were directed, I think they lay that out very well. I'll elaborate on a couple though.

One is budget. The law is actually pretty strong in terms of the DNI's control -- the verbs they use -- prepare, present and determine the national intelligence program. There's a significant slice of money inside the Bureau that is national intelligence program.

Secondly, the individual selected to be the head of this new National Security Service must have the concurrence of the DNI. Both those structures -- money and people -- it's our objective as we work forward with this -- and I think John Pistole has been the one that's going to mostly work this out, and I've talked with John about this, and I expect I'll be talking a lot with him about it over the next month or so, because there has to be something back here within 60 days that says here's how we're going to go do this.

The DNI is going to need visibility, adequate visibility into FBI operations. Now that's not the law enforcement piece, it's the piece that's relevant to the National Security Service. The challenge we have is that Director Mueller also needs that intelligence information for the other portion of the Bureau as well -- his criminal division, his cyber division, and so on. So we're going to have to work out structures that kind of balance that dilemma between agility for the Bureau, and coherence for the community. Director Mueller enters the room in terms of agility for the Bureau, and the DNI enters the room in terms of coherence for the community, because they enter two different doors doesn't mean they can't meet in the middle of the room and work out that kind of arrangement.

It is not unlike the Defense's concern about how this national community then interrelates with the tactical needs. There's a parallel there.

So although this is kind of new ground, I'm pretty confident we'll be able to work it out.

Question: In practical terms, will the new head of the national security division report to Director Mueller or report to Director Negroponte?

General Hayden: There you go. You've got this amorphous world out there. How would you answer that question with the Director of NSA?

Question: It's been dual-hatted?

General Hayden: Yeah. Or the Director of NGA. We've lived with these kinds of arrangements in the past. Clearly the guy in that job's going to have to be sensitive to both. I'm personally not very sympathetic to those who say it's hard to work for two bosses -- [Laughter] -- having just spent six years at NSA.

Question: One of the problems in the FBI is that their personnel doesn't line up with the money. I mean Baginski runs the intelligence, but she doesn't control the budget. Are you going to try and align those responsibilities?

General Hayden: It's all part of coherence, exactly so, it's all part of coherence. From the DNI's point of view, there's got to be coherence in terms of the organizational structure, the responsibilities of the Bureau to the DNI, and the funds that the DNI, that come from the DNI. My in-box, not yours, for years now certainly all the time I was at NSA, the DCI would have what he called a program managers meeting and you would have the directors of his major programs there -- NSA, NGA, NRO, DIA, CIA. We have carried that structure over into the DNI.

I chair the program manager's meeting. NSA, NGA, NRO, CIA, DIA, and FBI.

Question: Who is the Deputy Director of the FBI?

General Hayden: John Pistole. In the current structure, awaiting this reorganization. To answer your question, it is at John's position in the Bureau in the current structure that we have that coherence in terms of the Bureau.

Question: Do you expect the Pentagon or the Defense Department personnel to play an increasing role in covert activities or not? And how will that work? Will those personnel report to this CIA person that is being created?

General Hayden: Everything I've talked about has to do with intelligence and HUMINT and dealing with human beings in order to collect intelligence. I don't know that I have anything to add in terms of covert action and how that might be effective.

Question: I'm just curious whether you see a growing role or not for DOD personnel?

General Hayden: I'm not adding anything to the national dialogue about this. You know, this is a very challenging war, and there has been discussion. I just described a discussion -- and I'll leave it there -- as to what in this kind of a war constitutes traditional military activities. Let me just leave it there.

Question: When you were designing this [inaudible] with the White House to design this new structure, did you wargame, did you take a notional threat, a bomb on a container ship or something and one that came through the new system versus the old and come up specific places where you could say, "oh yes, that's definitely better in the new system" and if so could you explain how that might [inaudible]?

General Hayden: We did a long look at this. There was reasonable flexibility here on how to implement these, whether you accept them or not. The way you described it though, I think the answer has to be no. To narrowly define it as let's put ten bright people in the room, let's imagine this organization is up and running, let's give them this stimuli, and see how this organization responds to it. No, we did not do that kind of activity. We thought a lot about it. We talked about permutations, accommodations and so on. But no.

Question: [inaudible] follow-up. She was asking you about the potential downside of the dropping of the word "foreign" from some of these definitions, and what's the potential upside?

General Hayden: Oh, thanks. The upside is our enemy does not recognize that distinction. So for us to create that distinction, to over-emphasize that distinction -- I realize there's a distinction between foreign and domestic, but to keep our thought processes about the same they were on 10th September, I think would be inconsistent with what the American people want us to do in terms of protecting them.

Question: You referenced the CIA and the Pentagon's memorandum of understanding. Can you shed a little light on this memorandum, what the terms are?

General Hayden: No. [Laughter].

Question: Has it already been signed?

General Hayden: No. The one between DoD and CIA is about to be signed.

Question: Is it classified? Will it be classified? Will someone be able to shed...

General Hayden: I think it is. I'm not 100 percent sure. I don't know enough about it to comment on it. I don't know if it's classified, and if I knew it was unclassified I wouldn't want to mislead you with the details about it. It had to do with deconfliction, to make sure -- and this gets back to the issue you raised -- as we're operating in this new world that the activities of the Department are consistent, harmonized with the activities of the Agency. Let me just leave it there.

Question: Given that Guantanamo and other interrogation facilities have a principal purpose of obtaining from detainees in U.S. custody, how do you see the role of DNI on that project going forward in all its aspects?

General Hayden: I'm going to be sorry to disappoint but to keep the discussion here with regard to the WMD Commission recommendations and their import, which did not address the detainee issue.

Question: Obviously this is a very long to do list -- where do you start and what is the most important in the DNI's mind? What are the top priorities?

General Hayden: That's a great question. Clearly, some come to mind more quickly than others. I'm almost reluctant to answer, I will. I will answer, but I'm almost reluctant to because that would seem to suggest these others are less important. Some may be more immediate, others take a long time to have effect. I'll give you a group without much detail that take a longer time to have effect, which is one of the things the Ambassador's put up there as one of his top three objectives, which is quality of analysis. Quality of analysis is not something you fix by rewiring an org chart. That takes a longer effort. I think Tom Fingar has got over 30 initiatives underway, but they take time.

The ones that come to mind most quickly for me are the ones we've pretty much touched on already. The HUMINT manager, NCPC, the relationship with the Bureau -- and one you have not asked about -- and that's the open source center. Let me just describe why I'm saying those seem to be at the top of the list. I think any one of those four individually put a wake in the harbor. Those are big moves, and there will be additional effects that devolve out of those, almost all of which I expect to be pretty fair, pretty benign -- positive effects.

Question: In terms of how we got there, can you talk a little bit about the DNI's role in preparing this response to the Commission?

General Hayden: Full participation in all the clusters. The Ambassador and Fran [Townsend] had regular dialogues as the work moved forward, exchanged views.

Question: How many clusters?

General Hayden: Twelve, 11. They're just -- and I can't remember any of them, but they were the logical subgroupings of the 70-plus recommendations.

Question: It seems like all of these changes involve creating a new center, a new office, adding a new position. Thus far I haven't heard of any of these existing offices or positions being phased out. Are you concerned at all about bureaucratic float, about replication of --

General Hayden: Yeah, and I'm most -- Let's look at ourselves first. I think most of the things we described here are new and they may be new structures, but I haven't thrown many new resources at them, and I haven't said we're going to add 500 more people to go do this. It's taking known pieces and perhaps putting them together in a more efficient way.

The exception to that is the Office of the DNI. I used the word sweet spot before. The sweet spot for us is to actually have someone -- the value-added is for the first time in the history of our community we have a person, the Ambassador, and a structure, the Office of the DNI, whose full time job is the smooth functioning of the American intelligence community as a community. That's the value added. That's the up side. The real sweet spot is if we're able to accomplish that responsibility, able to accomplish that function, fulfill that responsibility without adding a layer of bureaucracy that gets in the way of things that we're already working.

I'm confident we can do it. If you're watching us, what we've done in the last two months, I think what we've done is meaningful, that it's not been getting in the way of the function of the community. It's shaping, it's guiding, and I think that's going to be the way this office functions.

Question: One of the measures you're talked about is coming off support for proliferation of WMD involving foreign companies. To what extent are you concerned about extraterritoriality issues? To what extent have you worked with foreign governments in advance to have a structure in place that you can cooperate with them?

General Hayden: Most connected to the President's initiative, the issue about a year ago his PSI -- Proliferation Security Initiative. Clearly there's going to be a relationship with that in the NCPC. To show you [inaudible] how this relates to what you discussed earlier -- you think about that for two sentences, and you get the questions of disclosure and sharing American-derived intelligence with partners and friends in other governments. Who has responsibility for disclosure under the new legislation? The DNI.

I think this moves us in the right direction, and I'm going to stop there. I don't want to mislead in terms of more to add as to how that would work in detail. We haven't even set the NCPC up yet.

Question: What if you have French bank, just a hypothetical, that's financing companies that somehow are involved in transporting missiles, and the French bank [inaudible] the U.S. [inaudible]. There's an extraterritoriality issue there.

General Hayden: I understand. Again, sorry to disappoint, but I'm not prepared to talk about that at this meeting.

Question: General, how difficult do you envision it will be to work with the various constituencies on the Hill to implement this? I know for example Congressman Hoekstra has complained that sometimes he'll put things in an authorization bill that the appropriators will just ignore. How do you get sort of a uniformity across lines with the people there that haven't an antipathy to change.

General Hayden: A couple of macro things. Number one, there is very powerful support on the Hill for the DNI and for the success of the Office. It's the product of legislation. The Ambassador and I, in addition, we've been up there talking to members. Across the board they want us to succeed and there is broad support.

One of the things the President said needs to be tended to is how Congress would conduct their appropriate oversight function. I don't think anyone is suggesting a diminution of the oversight function. That's absolutely critical. Back to the question asked earlier about can you do this and protect civil liberties? And an absolutely essential part of that is what would be in other countries almost intrusive congressional oversight. We've grown accustomed to that as being our norm. I don't think we're talking about reducing that.

We are talking about efficiencies. How many times, to how many committees or subcommittees need one brief a particular item. I think that's what we would be looking for.

Question: One of the recommendations of the Commission was to hold the three agencies accountable. Will there be changes?

General Hayden: We don't know, and I don't mean to dodge the question. The Ambassador and I have actually talked about this. You've got three organizations named in the report - Defense HUMINT Service, NGIC Ground Intelligence Center in Charlottesville, and WINPAC. Each of those has or are in the process of doing their own look. In the language of the WMD Commission, it's very carefully crafted -- it's about organizational accountability. So we're not talking about individuals here. It's organizational accountability.

We'll take the results of these looks and then the Ambassador will make his decisions with regard to whether or not anything else needs to be done. But you hit an important point in crafting your question. In terms of WINPAC, for example, one should expect that if there are issues there that need to be corrected the creation of the NCPC which is going to have directive authority over the counterproliferation mission, should help. The same with DHS [Defense Human Service] if you follow along with what I said earlier about this individual in the Central Intelligence Agency above the DO who has this broader communal responsibility -- setting standards, holding people accountable to those standards and so on -- that also is a step forward in resolving this. I think I mentioned already earlier, if you really think back on the issue of DHS and Curveball, it comes back to the source validation analogy. If you've tended to use source validation standards across the community, that's a good organization fix.

Question: Could there be further actions?

General Hayden: There could be further.

Question: But some of the organizations are reviewing?

General Hayden: That's exactly. And intended to. Not by accident, intended to.

Question: General, can you shed any light at all on the thinking that lead to keeping covert activities within the CIA. Did it have more to do with military culture and the problems of military culture and nature of covert activities, or was it more that as an institutional and historical comparative advantage there that the Agency had?

General Hayden: To say more than what's been said, no. I really don't have much more to offer. I'm looking over here to make sure I'm going to say this right. That was not in the WMD Report. That was not in the classified or unclassified recommendations of the report. So it wasn't something that this process we just talked about addressed.

Question: You were talking earlier about transparency. One of the big questions within the intelligence community is the idea of the relationship between DoD, CIA, and now DNI. If you're not going to make the MOU public, what are you going to make public, and how do we know it's been worked out if you don't make it public?

General Hayden: Good question. I understand your concern. Let me take it on. I already told you that one of the aspects I thought I'd call attention to in this effort was the transparency, what's been going on. I recognize in a democracy -- you get to do what you do because the people trust what you're doing. In order to do that there's got to be some degree of openness. Rather than answer it now, let me take your concern back and make sure we address it.

Question: What about WINPAC and NGIC -- it's analytical?

General Hayden: We haven't -- Truly analytical. I'm getting ahead of the story line here, because this is deep into the implementation, but let me just put some factors on the table.

What should the relationship of the DNI be to the S&T Center? NGIC is one of several science and technology centers. All of the science and technology centers are in the intelligence command of the military departments. So the one at Wright-Patterson that handles space and missiles is tucked underneath the Air Intelligence Agency. The one at Charlottesville, that handles essentially ground equipment, is under the Army's Intelligence and Security Command.

One of the things we started to look at, that's a pretty distant chain. Did the distance of that chain have anything to do with the performance or lack of performance of NGIC in this? And if it did, are there other ways of doing it?

Question: And their funding is part of the national intelligence budget?

General Hayden: Absolutely. And their funding is in the National Intelligence Program. That's not Army money or Air Force money, it's NIP money. So, a good question, and precisely the kinds of issues that you would address when you look at organizational responsibility.

Question: Can you talk about NCTC, what has been done to augment its responsibilities and operations and if there are any lessons drawn from that -- or the kind of approach you're taking with that that might inform other entities?

General Hayden: Right. I think you all follow this, I think you have a good sense as to where it is in its evolution, its development. It's a regular contributor to the function I described earlier, that morning session with the President and so on. That should give you some metric as to the regard with which its products are held.

I think the choice of Scott Redd to be the next Director, is a great one to build on what John has done out there already, John Brennan.

You know the legislation gave it an additional function. Prior to this it was TTIC, and it was largely an analytical function. A little bit different from the NCPC, because it actually does analysis, and it actually has its own product line. But in addition to that, it was given that strategic operational planning function. And we viewed the choice of the individual who would head that up as to be very important.

We've got a person, General Jeff Schloesser, who is an Army officer, head of Army Aviation right now, a lot of experience in the Middle East, some Arabic language training in his background, Special Operations in his background, and as I said good planning experience. He's a good choice to help us develop that function.

I should add too, that we've worked closely with DoD, and DoD has actually been a pretty powerful team player in offering us the opportunity to select some good talent to populate our staff. We've got another one not quite ready for release, but when you see it, you'll see this is a very well regarded military officer coming into a key position inside the Office of the DNI.

Obviously, the trick for us is balance in the process. I guess what I want to share with you is that DoD has stepped up to the table.

Question: Any more ability to describe what NCTC is going to do in terms of strategic direction or operational direction? They're not running operations...

General Hayden: No, they're not.

Question: Do they have the power to order operations?

General Hayden: I'm going to use words that are really rough and they're not going to have the precision that we need to have yet, but that's still work in progress.

It's very easy for me to picture the strategic operational planning function at NCTC, for example, doing what the military calls CONPLANS [concept plans], concept of operations. The intent of the legislation was not to get it down into the tactical. Clearly, there's a line where there's a handoff that will take place. NCTC is starting at the broad level, CONOPS, conceptual operational planning, clearly the tactical planning is down here and somewhere in between there's a handoff. That's what we're developing now.

Question: Can I follow on something you said earlier about trying to rationalize or improve the efficiency of the Hill oversight process. On a broader scale that is one of the big recommendations. Who has the lead on trying to push that, resolve it?

General Hayden: I believe that falls under Article 1 authorities. [Laughter].

Question: There's got to be a legislative strategy team in one of these agencies working with the Hill to try to -- and how hopeful are you that that will ever happen?

General Hayden: Well, we've had honest dialogue with members, and we've expressed things, but recognize this is a challenge. It doesn't require bureaucratic turf or anything else to make it a challenge. There is a legitimate oversight function here, and -- I'll bring up one. All right?

My life again as Director of NSA. We had two sets of authorizing committees. We had the intelligence committees and the armed services committees. I'm not prepared to tell you that that was avoidable inefficiency. I'm not prepared to tell you that that should go away, because the intelligence committees clearly had an oversight function. In practice, our authorization bill then was sequentially referred to the armed services committees. But, we were really important to the Department of Defense. So one can understand why there would want to be some oversight of that.

I'm not prepared today, in fact I haven't thought a lot about it, as to how one can respect the legitimate interests and the legitimate oversight. We are a republic after all, and these are big, powerful, and on most days pretty secretive organizations. The way you get to do what you do is if Congress has what Congress and the people agree is adequate insight into what's going on. So if there are efficiencies, I'm real excited about that, but --

Question: In a broader level, is there a way to improve the oversight, so that you don't have a situation where a committee is requesting an NIE and then not reading it?

General Hayden: I want to go to another area, more routine; I know the incident you're referring to. We have things called CDAs, Congressional Directed Actions. They're essentially, come up here and give us a report on X, Y or Z. There are most years a lot of those. Now if you talk to our friends on the Hill, it's because they feel that's a very good way, a way that they can with high confidence get the information they need. There may be other ways of doing that. There may be ways with less formal, less regulatory, less directed dialogue that you can meet that need. [inaudible]

Question: I was curious about the kind of 20/20 hindsight a little bit, but taking the target development boards and the mission managers, how looking back on ...

General Hayden: Right.

Question: -- what the WMD Commission found about failures on Iraq. How, use that as an example, of how that may have, how these new positions and boards may have addressed issues that...

General Hayden: Keep in mind what the Commission did. It was the President's Commission on intelligence and Weapons of Mass Destruction. But you've read the report. They didn't take a narrow definition of what their task was. They used that as an entry point into looking at the community more broadly.

I'm going to give you an example not directly tied to the WMD. A hypothetical example, but I think it's easier for me to explain it. And I think I can tell you that we would have come up with mission managers, even without the WMD Commission recommendation. It was something I was familiar with in previous lives. It works very well. Here's the why behind it. And don't overstate this.

If you looked at how we've been structured, and you all covered this about six weeks ago. We've got four deputy directors that are legislated. The number four was legislated. What they were, was our decision. We've got one for management, put that aside for the moment. That's long term. That's planning, programming and budgeting. We've got one for collection; we've got one for analysis; and we've got one for that interface with the people who rely on us. The way we'd actually like it to work is the other way. It starts with the people who rely on us that generates a requirement to analyze, the requirement to analyze creates a requirement for collection. That is a good and logical way of organizing our work, it really is. But it carries with it the potential that you have a space between the collection function, the analytical function, and your customer function.

In those areas that are most important to the nation, we are going to rely on mission managers to make sure that if there ever was a potential for those kinds of spaces, they aren't going to exist in these key areas. And two have already been out there in the public domain, but I'll repeat them for you because we're going to do it. There's going to be a mission manager out there for Iran, and there's going to be a mission manager out there for Korea.

What does a mission manager do? The short version that I've used and I will use in my briefing when we get a mission manager up here, is you're supposed to do what John Negroponte would do with your problem set if John Negroponte didn't have anything else to do today. In other words, exercise the full authorities of the DNI to make sure our community is doing everything it can do.

I've described to you a structure that looks like this. The mission managers go like this and pull that thread, and they pull it on critical issues. Now, you can't do that exhaustively. You can't do that for every problem the intelligence community may have to deal with, but you can do it for a

limited number of particularly important problems. I've given you two. Iran and Korea. You can assume that the two centers out there, although we won't sprinkle them with holy water and anoint them as mission managers, that they will exercise the responsibilities of a mission manager. Our description of NCPC is a really strong mission manager with a really big staff. That's the thinking behind it.

What's the historical example, recognizing maybe soft turf here, alright? I don't think it's the NIE on WMD. If you run the tape way back to 1998, and you have George Tenet declaring war on terrorism, and you have my predecessor at NSA being unclear as to whether or not it applied to him, I think the mission manager construct there might have been useful.

Question: General, can I ask you to come back to the open source issue that you listed on your top four list. Will that be at CIA or here?

General Hayden: Here's the sentence we have crafted to describe that. This will be a DNI center at CIA. Not -- bear with me. All the words are important. It's a DNI center, so that it is not embedded or buried or any other word you choose to use inside one agency. It's a DNI center, because it has to service the entire community. It has to be sensitive to the needs of the entire community.

At CIA, so that we can build on the one successful open source endeavor we now have which is FBIS. Now, this is going beyond FBIS. But why not build from that?

Question: [inaudible]

General Hayden: It will not -- I'm getting ahead of this now. We've got to have implementation plans, we've got to have dialogue, they have to come back. Let me just say that nothing says it has to remain in the DS&T, where it is currently located out there. In fact, I could suggest reasons why you would want to pull it out from that and make it more visible in that structure, so it is more visible to the rest of the community.

It is, and again, I'm getting a bit ahead of the story line here, but here's kind of where our thinking is. This is not yet another INT creating another series of products that necessarily get slapped onto your morning read board and make it a bit thicker.

Question: [inaudible]

General Hayden: FBIS does that and does a very valuable service. I don't imply we're going to stop that. But I think the real value added is helping, enabling -- there's the word. Enabling the entire community to make better use of that which is already available -- information that you don't have to steal.

By the way, if you make full use of information you don't have to steal, you may discover that you don't have to steal as much. So the objective, is that open source becomes a tool for every analyst in the community, and this center facilitates every analyst's access. Now, that may mean facilitating training the analysts; it may mean facilitating the IT that underpins and makes that

possible. It may be actually turning out products as FBIS currently does. It may mean a swat team of experts who go to the NCPC, and say we understand what your charter is, now let me tell you what I think the potentials are of using open source to support your particular problem. That's how we picture it.

Question: Just to clarify what you said earlier, the WMD Commission didn't make any recommendations, classified or unclassified, about covert and clandestine operations, so you guys didn't deal with it?

General Hayden: No recommendations with regard to covert action. That's correct.

Question: [inaudible]

General Hayden: Let me narrow it down -- Pentagon covert action activity not in the WMD. The issue as to the Pentagon, CIA -- not addressed by WMD...

Question: Fred Townsend said on-the-record that it actually talked about shifting authority for planning covert operations to the NCTC and National Counterproliferation Center.

General Hayden: The way I would phrase it, --

Question: [inaudible]

General Hayden: The issue that was in there was would there be a management function for covert actions in the NCPC and the NCTC. I'm repeating back to you what Fran [Townsend] laid out. It was not the issue of CIA, DoD.

Question: You had alluded to cultural issues before, and I was just wondering what the Office of DNI is doing to start to deal with cultural issues. Which ones do you see as being most problematic or whatever?

General Hayden: I'll give you two thrusts, there are more, but two that quickly come to mind. One is to remove structural things that make the cultural growth of collaboration harder to do. A morning intelligence briefing planning staff that has been built of people across the community, for example. That sets in motion a whole bunch of things that change culture.

Question: And that wasn't happening?

General Hayden: It was in the DI at CIA, and done well. [inaudible] If your objective, and the Ambassador talks about three key objectives, one is sense of community; the second is analytical output; and the third is the fiscal function, getting value for dollar.

We were on...

Question: Culture...

General Hayden: Culture, okay so what is it? You move impediments to collaboration. The whole goal is collaboration, that's one. Number two, you incentivize collaboration. There's a wonderful sentence in Goldwater/Nichols, don't take this to the bank, we're a different kind of community, but a wonderful sentence in Goldwater/Nichols. I think it's the most powerful sentence in the entire law. "Promotion rates of officers on the Joint Staff shall be equal to or greater than the promotion rates of officers on the military headquarters staffs." Turn the word over. What like sentence or sentences are there to our community that incentivize this more communal experience?

And then finally, there's an education and training function. We have brought some very good people on board. Ron Sanders from OPM, head of HR, and so on. The direction I gave Ron is I want the DNI to control every aspect of personnel that is a useful tool for creating collaboration across the community and nothing else.

It's that kind of approach.

With regard to education, which is another part that the law is very strong on. The model I think we're looking at is the military's PME system, professional military education. Our center of gravity on this question isn't going to be entry level technical training as to how to interpret photography. Our center of gravity will be what I learned in the War College and Command and Staff. There are a few facts in there and a few skills in there, but there's a lot of attitude in there too, it's building that culture of jointness.

Okay. Thank you very much.