

Prepared Remarks of Siobhan Gorman
Challenges Facing the DNI – June 6, 2005
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It's always dangerous to give progress reports just six weeks in—especially looking in from the outside. Assessments of black-box-type intelligence decisions are particularly fraught. So, with those caveats I'll jump in on the speculation.

Progress Report

While many people said, at least half joking, that the White House picked Ambassador Negroonte because the job would only seem attractive to someone whose point of comparison was the Green Zone, for the most part, he's gotten a welcome reception. Though, the Pentagon is a glaring exception. The logic was that as a career diplomat, he's been a longtime consumer of intelligence and yet because he hasn't been a formal member of the intelligence community, he didn't have a dog in the fight, so he stood a chance of becoming an honest broker in turf battles within the so called intelligence community.

The best way to describe Negroonte's approach thus far is cautious. This is certainly true in that he's kept a low profile. And in the turf battles that have already arisen, he seems to prefer, perhaps not surprisingly, a behind-the-scenes diplomatic course. He's also not yet been steamrolled by the Pentagon, which is some small measure of success—of course there's still time.

Indeed, Negroonte has many, many challenges ahead—both short term and medium term. I think setting any specific long-term plans for an office this new is unrealistic. I'll spend the 2nd half of my time this morning laying out some of those challenges, many of which are about turf but also about establishing a strong, integrated management structure, where there has historically been little, if any such thing.

Moves so far

But first, I'll talk a bit about the first several weeks in John Negroponte's new world. His initial emphasis has understandably been staffing up. My understanding from those in the intelligence community is that he has made strong personnel appointments that reflect independence. They're not people who cling to the traditions of their mother agency. [I'll just mention a few.

David Shedd: Negroponte's new chief of staff, David Shedd, Shedd was most recently at the NSC and spent much of his career in the clandestine service but also has management experience. And he is trusted by both Natl Sec. Adviser Steve Hadley and his predecessor Condoleezza Rice, which is good from a White House relations standpoint.

Mary Margaret Graham: Negroponte's pick as his deputy for intelligence collection, Mary Margaret Graham was a bold pick. She was a well-respected alum of the clandestine service who was at the center of the controversy in the CIA that that prompted some of the high profile hemorrhaging last November.

Tom Fingar: His deputy for analysis, Tom Fingar, has been heading the State Department's Intelligence and Research branch and has a reputation for working well with the CIA.

Pat Kennedy: As his deputy for management, Negroponte has appointed Patrick Kennedy, a former UN ambassador for management. But Kennedy hails more recently from the Coalition Provisional Authority, which wasn't exactly a management paragon. So, the jury is still out on what he will do. Last week, the DNI's office announced six additions to the management team.

Still to come will be his deputy for technical collection, which is going to be critically important because his jurisdiction will include the most expensive intelligence toys, many of which reside in the Pentagon's budgetary sandbox.

So what has Negroponte *done* so far?]

In addition to his hiring spree and trying to decide what address to put on his business cards, he's been staking out his territory, somewhat quietly. Three examples come to mind:

PDB: The first announcement that hinted at Negroponte's authorities was the President's decision to designate the Director of National Intelligence as the producer of the now-famous (thank you 9/11 commission) President's Daily Brief. I know Secretary Lehman has strong feelings about this decision, and I'm sure we'll discuss it more in Q&A. But for better or worse, it is currently in Negroponte's hands, and it does give him control over the intelligence the President sees and where it comes from. I'm told that Negroponte has been reaching beyond the CIA for material.

Chiefs of Station: One of Negroponte's first moves as director was to make it clear to the top spies overseas, what the CIA calls chiefs of station, that they are working for him and in some form or another report to him on intelligence community matters that are not directly the purview of the CIA. This consolidated his power in the field, where oftentimes other intelligence community officers from other agencies go around the chief of station. But it does create some confusion over the responsibilities of the CIA director, who is now under the Director of National Intelligence.

Pentagon tussling over personnel: The most recent example is this protracted back and forth over the new director's authority to move personnel within the community, namely military personnel. By last week, it seemed that Negroponte was able to stave off the Pentagon's allies in Congress. House Armed Services Committee Chairman

Duncan Hunter was insisting language be inserted into an intelligence authorization bill that required Negroonte to get Congressional sign-off when he wanted to move people around. Negroonte's compromise was that he would consult with Hunter personally when he wanted to shift Defense personnel. That arrangement is somewhat peculiar, but one intelligence veteran pointed out to me that Negroonte can't antagonize the chairman of the House Armed Services Committee, especially at this early date, so this was one way to make Hunter feel he had input without writing it into law.

Hayden: Also behind the scenes, Negroonte's deputy, Mike Hayden, has been conferring with past and present members of the far flung intelligence community to begin assembling a list of the issues they want to tackle—how to balance new counterterrorism targets with traditional ones like China. One thing to watch with Gen. Hayden is the relationship he forges with his compatriots in the Defense Department. From his years as director of the National Security Agency, Hayden comes to this job with a stronger understanding of the way the Pentagon works than George Tenet had. And that should position Hayden well.

Short term Challenges (year 1)

With that in mind, let's take a quick look at the "What next" question.

No fewer than 40 studies that date back almost to the birth of the CIA in 1947 have lamented the fact that no one was really in charge of the intelligence community. So, with all due respect to the 9-11 Commission, this was not a new idea. What was new, though, was the unprecedented campaign to actually create a post to make someone in charge.

So, by some measure, the greatest hurdle that the U.S. government faced in fixing this problem was cleared when the intelligence reform bill was signed into law in December. But because of the pressures to compromise, particularly on issues that could be seen as taking power away from the Defense Department, the law is vague on many of the questions of the extent of the director's authority. The months and years ahead will be spent testing the limits of that power.

Adm. Studeman's commission did incredible work creating an initial to-do list for the new national director, and the White House is due to lay out its plan based on the WMD Commission's recommendations within the next couple of weeks. One of the major points the WMD Commission emphasized was the need to integrate plans, strategies, and resources across the intelligence community. For a community that has grown up in agencies organized by collection methods, thinking about the community in terms of targets and outcomes is a big shift—and one that will not come naturally.

So, I'll take you through a few of the major short and medium terms challenges that I've gleaned from my reporting on the intelligence community.

1) Staffing up and organizing: It is going to take quite awhile to staff the new office, whose size will anywhere from 500 to 1,000 people. Finding the right people to

fill those positions will be a real challenge. Our most recent experience with staffing the Dept of HS offers a cautionary tale, here. When they went to borrow or absorb the employees of other agencies, in many cases, they wound up with the cast-offs.

2) Getting a handle on the budget: Based on my conversations with people who know both the intelligence community and Capitol Hill, it seems the greatest tool Negroonte has not just in establishing his authority but integrating the community is the intelligence community's budget. If he understands not only the broad budget numbers but how money is being spent—as it is spent—he will have a baseline to gauge the resources he has at his disposal. [This also happens to be a popular notion also in the private sector right now, with Wal-Mart tracking every bottle of soda as it's sold, to manage its supply chain.]

3) Establishing a strategy for integrating the community: Starting with the budget, Negroonte can then assess how well components of the intelligence community are helping his office actually assess threats. From there, he can set his vision for the community and draw up a strategy for redeploying and integrating his resources across the different agencies to better meet those needs. He should also establish ways to measure progress. [This is quite like the comprehensive assessment that Michael Chertoff has undertaken at the Department of Homeland Security, and it is what a number of management and intelligence experts told me they wish Porter Goss had done when he got to the CIA before he began dismissing people.]

4) Winning turf battles with DoD and others w/ support from WH: The importance of winning turf battle early and the significance of having the backing of the White House played out time and time again as the Department of Homeland Security tried to get up and running. It lost a number of battles that in effect ceded its core *raison d'être*—assessing the terrorist threat—to the CIA and FBI. Negroonte will run up against similar challenges in sorting out his authorities versus those of the **Secretary of Defense** (as we've already witnessed); the **FBI** (as we soon will witness when he

has a hand in picking the FBI's top intelligence officials); the **Department of Homeland Security** (as Negroonte makes a move for the department's homeland security information network); the **CIA** (as he assumes the roles that were formerly reserved for the director of central intelligence); and even the **National Counterterrorism Center**, which is technically under Negroonte and yet its designated head, Vice Adm. John Scott Redd, reports directly to the president.

Medium term (next 2+ years)

No doubt within the first year, that will all be sorted out. But seriously, many of the challenges in ensuing years will be institutionalizing a more integrated community. Above all, it will require leadership from Negroonte and the White House. This could take many forms, but quickly, here are a few that came to mind:

1) Execute the plan for integrating resources. This will set in motion the real relationship the national director will have with the CIA director, the head of the National Counterterrorism Center, the Pentagon, and other agency heads.

2) Institute or cultivate information systems that facilitate sharing among agencies: It's my understanding that among the initial basic research and development projects Negroonte's shop is considering is research into the best way to merge the information systems of the 15 disparate, independent, and fiercely protective members of this community. This was among the key recommendations of the WMD Commission but our experience in trying to do this even within agencies like the DHS and FBI, has not been a model of success.

3) Decide on new capabilities that are needed: Once Negroonte gets a handle on the current status of the intelligence community, he'll want to think about what capabilities need to be built. The WMD Commission recommended a real office dedicated to developing what's known as open source intelligence—information that can

be gathered publicly. This will require a bit of a mindset change in the community, where the view has been if it's not secret it's not intelligence.

4) Maintain White House support and focus: John Gannon, a former chairman of the National Intelligence Council, who spoke on the first panel last week, impressed upon me in a multiple interviews the tragic history of the intelligence community's failing to follow through on long-term planning and strategy. To guard against history's repeating itself, sustained attention from both the leadership of the intelligence community and the White House is crucial.

How hard will it be?

If history is any guide, very. The intelligence community is in many respects a misnomer. It is much more like a collection of high-school cliques or even rival high schools.

One of the first intelligence stories I did a few years ago looked at the differences in CIA and FBI culture. I set it up as a Mars and Venus equation, with the FBI agents being the rules-bound, concrete-thinking men. The CIA officers were the more holistic, in-touch-with your feelings women. I didn't make this comparison to make light of the differences but rather to put them into a context to which we can all relate. Every man and woman in this room has been in a situation where they simply can't understand why a member of the opposite sex doesn't see how wrongheaded his or her perspective is.

Without understanding these cultural differences and playing to their strengths, no leader, be it John Negroponte or President Bush, is going to succeed in integrating their efforts.

As I've explored the intelligence world further, I've found similar cultural differences among pretty much all the 15 intelligence agencies. For example, the National Security Agency has a lot of animosity toward the CIA, based on longstanding cultural differences. I remember talking with former NSA director Gen. William Odom for a story, where he just lit into the CIA. "They think power is being able to screw something else up," he told me. For its part, some at the CIA see the NSA as a bunch of eggheads. The culture clash with the Pentagon is already painfully obvious.

And on it goes: the nerds, the jocks, the kids skipping class, the teacher's pets. (I'll let you draw the parallels.) We find them all in John Negroponte's world. And corralling those cultures—and their strengths and weaknesses—in a complementary way is

probably Negroponte's greatest challenge. He can move around all the institutional boxes and titles he wants, but if the troops don't buy into the changes, he's in trouble.

Looking forward to Q&A...