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DWG: Let me just start, Mr. Director, by saying one thing which is we're really honored to have you here. And it is, quite frankly, in my view a tribute to you and to the administration and also to our system of government --

Director Coats: The administration doesn't know I'm here. [Laughter]. Maybe I should have hesitated on that.

DWG: No, but the fact that you're here, there's plenty of controversy swirling around Washington. There usually is, but this is an exceptionally swirling period. So for the Director of National Intelligence to take time to have breakfast with a bunch of journalists, we're flattered and we're honored. Thank you for coming.

Director Coats: Well thank you for the invitation. I don't always say yes to these events. I see my job as dealing with secrets, and I don't necessarily look for opportunities to make a mistake. But I'm glad to be here to talk to you.

DWG: That's great. As the moderator, I get the first question. You run 17 intelligence agencies that collect, that steal other nation's secrets for a living. And they're in the weeds, but you have to look at the big picture. So let me start with a big picture question, because it seems to me that we, humanity, could only be at the beginning of a period of innovation in terms of technological change. On the horizon are things like artificial intelligence, an encrypted cloud perhaps, a series of innovations that are on the horizon, machine learning. And both

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Russia and China seem to be aggressively seeking to steal our methods and build their own capabilities as you would, in a way, expect them to.

Is there any danger right now of losing our technological edge in terms of intelligence gathering? And what are you doing to prepare the intelligence community for a rapidly approaching future?

Director Coats: That's a very critical question. I came from outside the intelligence community into the intelligence community, and some background as a policy framer in the Senate and on the Intelligence Oversight Committee. But I think one of the things that surprised me the most was the rapidity of the advance in technological change.

Coming from the outside I saw my initial responsibilities or at least goal, was to establish the right kind of relationships with all the agencies and the directors. I thought that building a trust between us relative to where we needed to go in terms of how we needed to coordinate, assimilate all this collection, and fulfill the responsibilities given to us in law by the commission that formed the ODNI wasn't going to work unless we broke down some of the barriers and had a trust between us.

I also wanted to get out to all the agencies, as many as I could, to observe and see what they were doing, how they were doing it, and get a read-out from the 16 agencies that I had oversight over and responsibilities with.

So in that process, a long answer to a good question, in that process a pretty steep learning curve relative to the technological capabilities we had, and also the speed of which technology is changing the whole game. At that particular point in time I thought we've got to up our game if we are going to stay ahead, stay competitive, have an advantage in terms of collection with all these new technological advances coming into not only our hands, but into our adversaries' hands. And it

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even goes beyond nations that you've mentioned. One kind of a small example, but when we first started engaging with the Taliban in Afghanistan, their ideology or whatever said no, you don't look at television, you don't listen to the radio. Today the Taliban is using social media to promote their ideas and to promote their cause in a very sophisticated way. And of course we've seen what ISIS has done and we've seen what other groups have done that are not nation states. So the threat goes beyond, obviously, the sophistication that China, Russia, now Iran and others have.

So that gets us to the question of what are we doing, and that is number one, staying status quo won't work anymore. Number two, we have to become much more agile, much more innovative, much more creative. We have to look at our work force in terms of the skills that we need. There's a generational shift going on. People who are great employees, career business, career engagements in the intelligence communities, necessarily don't have some of those skills. So we have to reach out.

I was just down in Texas last week speaking to a security conference at UT in Austin, as well as stopped at Baylor, partly to recruit young people who are gaining these skills. I spent time at a major company, extraordinary what it looks like to walk into some of these new companies that are sprouting up and dealing with cyber, dealing with all the sophisticated types of issues and ways in which we communicate and so forth and so on. Looking at the work force and saying this isn't the [vehicle], the federal government. We're a bureaucracy. They are doing things that cause me to believe we've got to work together with them, partner with them, and so we are now in the process of what we call IC-2025. IC-2025 is what we initiated, the DNI, to basically say where do we need to be, how are we going to get there in order to maintain that advantage technologically? And that means a whole range of things in terms of work force, in terms of trusted work force, how we do security clearances, which is a nightmare right now. But we're engaged in a lot of this. So what we call transformation, I think it's absolutely necessary and it's important that we take the lead on this.

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And given that, I said we've got to clean our own house before we tell someone else to clean theirs. Clean's probably not the right word. We need to do our own transformation within our community, ODNI, which we are well engaged in and implementing, we've released and are implementing over the next 100 days, to restructure how we operate, and then sharing that with all the agencies in terms of how they need to operate.

So it is a transformation. WE haven't broadcast it very much, but we put a piece into the web site I guess about it, but it's a substantial change that I think needs to be accomplished if we're going to stay in the game.

Sorry to give you such a long answer, but that lays the groundwork, I guess, for where we are.

DWG: For my follow-up I want to turn to Novichok for a second, and just ask you whether it's true, as I've read in a newspaper column yesterday, that unlike the British, the U.S. informed the Kremlin that it may replace the 60-or-so expelled Russian "diplomats" any time it wishes. Is that true? That report?

Director Coats: Well it's clear that we have joined in the effort with the Brits and then with a lot of our allies, and taken action in support of what we strongly believe is one of many breaches of protocol coming out of Moscow. It's larger than, it's almost like the final straw relative to the maligned activity that the Russians have been engaged in against us, against our European colleagues and allies. Go down the list in terms of things they've done. So we made that decision to do that [BNG], you know, in a fairly substantial way.

The Russians have, as you've seen, retaliated on that by doing their own purge, but we thought we needed to send a signal. Not only relative to the assassination attempt in Britain, but as a message that goes beyond that, basically says, and it's been talked a lot about in the press, how come we haven't done anything? Well, we've done something, and something

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significant.

DWG: But is there that difference between what the U.S. has done and what the British have done? As I understand it, there is. I don't know. The British said your embassy now goes down by 23 and it stays there. And is it true that the Americans have said, we have said you can replace those people at will? Because it was reported yesterday. If it's wrong, I'd love to know that.

Director Coats: I have no knowledge of that. The Brits expelled all 23 of Russian agents. If there's any message going to the Brits that we are directing any kind of effort of plus or minus relative to what they might do in the future.

DWG: I'm going to give the next question, probably staying on the same topic, to my friend Ben Riley-Smith of The Daily Telegraph.

DWG: Thank you so much for your [inaudible]. One, I don't know if you can share any details about the attack. How many attackers we think have been [inaudible]? How [inaudible]?

Director Coats: All I can really say here is that we have received information from the Brits relative to what they believe happened, and we have no reason to believe that it didn't happen. If you look at Theresa May's remarks to the parliament, she said it could only be one of two things. We are certain, they were certain and I think we agreed, accepted the fact that only Russia has the potential capability of this particular nerve gas. They either instituted it themselves, or they lost control of it and somebody else did. She said it's got to be one of those two. But when you look at the history of it and you look at the Russian maligned activities and so forth, it's not hard to come to the conclusion that the Russians were out there for whatever purpose, send a signal to their other spies who have come out of the cold, or just a continued power play by Putin just prior to his election, which we know he was pushing very, very hard to get as high a number as he possibly

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could and playing Mr. Strong Man, bringing Russia back into the game after the fall of the Wall and collapse of the USSR, it was just a very strong indication that that's where it had come from, and that significant action of retaliation ought to be made.

DWG: A quick follow-up. Do you think it was deliberately timed? The Russian action, the attack?

Director Coats: I have no proof of that, but one could assess that. I think the first question that came to my mind and maybe many minds is why would somebody just a week away or so from an election do something like that? And then your second thought is, oh yeah, that's something the Russians would do. Obviously, he was going to be reelected, but we knew all along he was pushing for a high tally and vote, and he has earned that support from the Russians by not being the nice guy but by being the bad guy.

DWG: Steve, you said you have a question on the same subject?

Director Coats: Yeah. Following up on the expulsions, you expelled people from the Seattle consulate. And there are several Russian consulates in the United States, one less now. But the Seattle consulate is near Boeing, and a couple of Air Force bases, and there's a lot of Air Force assets within the area that that consulate covered. Did you pick that consulate with Air Force related functions in mind? Or can you talk about the closing of that consulate as it might affect programs at Boeing and the Air Force --

Director Coats: I wasn't part of the group that made the decision in terms of what choices would be made. But I think one could assume that clearly, the Russian consulate in Seattle was established there by the Russians for a purpose. They didn't just go there for the climate or the nice living conditions in Seattle. One could assume that they went there because there were collection opportunities, and you know some of the, several companies which could be collected.

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I don't think the Russians have a choice of where they are going to put a consulate for anything other than the intent of what they want to do, and that is simply collecting secrets.

DWG: Barbara?

DWG: You mentioned that you sort of considered the Novichok business the final straw in Putin's actions. What's your assessment on Putin at the moment? Everybody concurs he's a bad guy, but what do you really think he's up to? How do you view him at the moment? How much do you know about what he's up to versus just an assessment? Do you have knowledge? And how far, he seems to be poking the administration to see where he might get before the administration pokes back. How far is he going to go? What's your view on that?

Director Coats: Putin's pretty transparent in a lot of what he does, so I think he's deliberately transparent. But we've also seen him use so-called events and charm sessions. Sochi, probably coming to the World Cup. There seems to be two sides of Putin. The public side where he's graciously receiving heads of state, he travels to different countries, meeting with different leaders. Then there's the side that through my career I have some insights to which is Putin, head of the KGB. I served as Ambassador to Germany from 2001 to 2005. Putin was infamous there for being head of the KGB of East Germany. He spoke pretty good German. And I made the comment, yeah, because he was listening to Germans speaking all night on the telephone, so he probably learned that language as part of his job.

I haven't seen personally anything different from Putin than what I've thought about Putin from the very, very beginning. He's a shrewd, calculating, KGB head with that mentality. And he I think successfully has read the Russian populace saying we took a beating when the Wall went down, and we were marginalized and we want to be great again. We want to be a player. And Putin's a strong guy who can lead us there.

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So I think anything we do with Putin ought to be with eyes wide open.

DWG: What do you think his specific objective is [inaudible]?

Director Coats: I can't speculate on that.

DWG: Do you have an assessment? A view?

Director Coats: I have some thoughts on it but I haven't echoed those thoughts publicly.

DWG: But you have privately?

Director Coats: I have some private thoughts, yeah. Like I said, my view is that anything you do with Putin you do with eyes wide open and with a high degree of skepticism.

DWG: Last night the outgoing National Security Advisor, HR McMaster, said that we, I'm unclear whether he meant the West or the United States, or the West including the United States obviously, haven't done enough to respond to Putin's maligned activity. Do you believe that? And if so, what more does the United States and its allies need to do, do the United States and its allies need to do in order to send a stronger message to Mr. Putin to back off? It seems quite clear that the expulsions are not going to do that. The maligned activities continue. You yourself have expressed concern about the upcoming election. Talk about what more, if you believe more needs to be done, should be done.

Director Coats: Clearly we are in a position now to be undertaking the prospect of additional reactions to this issue. In my own personal view, which I've expressed publicly, is that the more we can expose what the Russians have done, and I've talked to many of our allies overseas about this, there's full agreement on it. The more we can expose what Russia is doing, the more our populace can understand that a lot of the stuff that they hear is "fake news" or it's part of a plan by Russia

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to undermine our values and drive a wedge between us and our allies.

So this is under considerable consideration, and more things will be done, and soon. Above where we are right now. So I would just say stay tuned on that. I think we're becoming more and more aware of the potential for Russia to continue to engage in any number of ways relative to our elections, and a lot of steps are being taken.

It's interesting, I was with NATO over in Brussels not that long ago. Twenty-nine nations and NATO has established a new intelligence arm, so we were over there helping get that established. And the head of that new operation in NATO is a German. Number two is an American. The topic was Russian influence. So we kind of went around the room of all 29 nations, and at the end, [Bob Monighoven] said now what has been said today and discussed today implies pretty explicitly that we're pretty much on the same page relative to Russian meddling and interference in our values, in our elections and so forth. He said I haven't heard any dissent from any nation so far. This is pretty unusual, because usually it's tough to pull everybody together on the same issue here, so I want to give everybody one last chance before we sort of lock in that we all are together relative to believing the Russians are meddling in our political systems, trying to affect our elections. Do I hear any opposition? I expected four or five hands to go up, no I haven't seen that, et cetera. He said, do I see, do I hear silence as consent? There's no one that doesn't agree with this? Long pause. Well, I guess to my shock, his shock, everybody's shock. So we all agree. So that will be the conclusion, the result of what we have been discussing here. We are all 29 nations of NATO have either seen this or believe this is happening and there's no dissent.

So a lot of what we talked about there was exposure to our populace so that the public was well aware of what the Russians have been doing, and I think that's happening here in the United States. That we're becoming more and more aware of you just

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simply can't trust the headline that you read or the fact that your elections are going to be safe. There's a lot of efforts going on now relative to 2018. We've convened groups, we're working with DHS, working with the FBI, working to put programs in place to upgrade the election process and awareness to the American public. It's interesting, a lot of people are asking for paper ballots at this point.

Going back to your technology question, the magnificent things that have happened relative to our ability to be interconnected worldwide, we're now seeing the dark side of that. Sometimes the dark side seems, some days the dark side seems to trump, no pun intended, trump the good side, the light side. And it does make one think that, you know, maybe there ought to be a paper file backup. I hate to think about the amount of data, the warehouses we would have to rent to even do that, or do we go back to pigeons, you know, sending messages rather than picking up the phone? We sort of joke about that, but when you're now talking about do electric companies need their own electric supply? Does the military need their own power plants? Can we rely on the worldwide web, the www to protect ourselves? That's a real question.

So encryption, protection, and then we get to this issue of retaliation, are high on the grade of what we think about.

DWG: Can I ask for clarification? When you said at the top there is under consideration that more things will be done and soon, above where we are right now. Are you referring to preparations or defenses for the upcoming mid-terms or the entire range of maligned Russian --

Director Coats: No, I was referring to the response to the Russian malignment.

DWG: Dmitry [Kirsano] from TASS. Thank you so much for being with us, sir. Thank you for the opportunity.

I wanted to ask you a Russia-related, but a completely different

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question if I may. In light of the visit made in January to Russia by the [ASDR] and the [inaudible] Directors and the explanations that both you and the CIA Director had to provide to the Senate minority leader as a result of that. I wanted to ask you to comment on your cooperative interaction with the Russians if there is one at this stage. Or the political atmosphere of relations between Washington and Moscow became so toxic as to make any cooperation impossible at this stage.

Director Coats: We accepted that request on the basis that the discussion would involve counterterrorism, and that's what was involved. We made the assessment that despite the other issues that we are dealing with, it's not something we necessarily would sit down and discuss. But the question of counterterrorism and coordination and cooperation relative to how we could not only help each other, but help all of our allies and friends relative to known or suspected attacks. This came post-St. Petersburg. So the discussion was solely related to how we could, well, to maintain relationships relative to the sharing of information that would protect our people respectively in our nations. And it was a good meeting, and basically based on the fact that despite whatever else was swirling on above us, here's something that we could work together on. Thank you very much for the tip on the St. Petersburg. We hope you will reciprocate with us if you hear some things that would protect our people. Give us the opportunity to know and then protect our people. So that was the basis of the meeting.

DWG: Are the Russians reciprocating in any meaningful way?

Director Coats: We made the commitment that both of us would do that and I have seen nothing that would undermine that commitment.

DWG: Two questions. [Inaudible] on where that tip came from and how it materialized and why? Why did it have to go on [inaudible]? [Inaudible] anything on that --

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Director Coats: I'm really not able to share that.

DWG: And everything that you're saying about Russia and the need to respond to them [inaudible]. Why is Putin being invited to the White House? [Inaudible]. Do you think that invitation should be accepted?

Director Coats: That's an area where I don't go relative to any discussions with the President or anything that, in that category. I just can't go there.

DWG: On Gina Haspel, will ODNI and CNA declassify every aspect of her torture record as a lot of senators are requesting? And just a follow-up to that, do you think it sends the right message to our allies that someone who was so heavily involved in the torture program was nominated to be the CIA Director?

Director Coats: First of all, I think it's a great choice because I work with her every day, and she's an exceptionally professional and talented individual. I think it would be record-breaking to have a woman lead the intelligence services at the CIA, but way beyond that she, in my opinion, has all the qualities and capabilities that are needed. Great respect from her colleagues in the CIA. Gina plans to be totally transparent in terms of what, in regards to this issue and a lot of that has been mischaracterized. I have looked deeply into this and she will be making that fully available to the relevant committees. I think a lot of the narratives in the public have been already released to indicate that what is being alleged is simply not true.

DWG: Will you see that it's all declassified? Or are you saying that you'll just give it --

Director Coats: Well, you know, we want to declassify as much as possible without jeopardizing someone's what we call sources and methods, but every effort will be made to fully explain exactly what her role was and what it wasn't.

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DWG: Patrick Tucker.

DWG: Thanks. Just to go back to Russia real quick. Back in February [inaudible] about 300 Russian mercenaries, and we don't know too much about it. But what would you say the odds are that it won't happen again?

Director Coats: Well, we hope the odds are that it won't happen again. There has been good communication between the various forces congregated in a pretty small area in Syria to try to avoid this kind of thing. There were plenty of warnings issued, but we're not going to put our troops in jeopardy by someone's mistaken calculation, but we clearly made that matter, made our adversaries aware of that. I can't go into the details of how that happened or why that happened, but clearly, we sent a signal that this is where we are, this is where you don't need to be, and we're not going to put our troops into jeopardy, and if you don't adhere to that, this is what the consequence is going to be.

So we have not seen a repeat of that to this point, and hopefully that message resonated with anybody who thought, any of the various actors out there thought that they could take a run at it.

DWG: [Inaudible] election of Putin [inaudible]?

Director Coats: Well, this is one of those eyes wide open and a lot of skepticism. I mean has any election in Russia been what we would call totally legitimate? I ran for office ten times, and if I had the opportunity to choose who I was going to run against, I think I'd feel pretty good about it. I might declare it legitimate, but anytime someone has the ability to take an opponent off the ballot, I don't think you can call it legitimate.

DWG: Dan?

DWG: I have a question about Iran. If next month the Trump

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administration decides to not continue to waive sanctions and they reimpose sanctions, what would the Iranians do, what would the Israelis do? What would happen in three, six, nine months, a year from now, five years from now? What would be your thoughts?

Director Coats: We're assessing all that and giving all that information to our policy makers including the President, a whole range of speculated activities that might happen. That's our business. The pros and the cons. We don't make policy, but we provide, and I think that's somewhat of a fluid situation with the talks going on in Europe, with the E3, other discussions relative to that. You know, we have a new National Security Advisor taking office shortly here, starting today I guess. And so we will continue to formulate all that information and provide it to the security advisor, his team and the President and all the policy-makers.

DWG: So at this point you can't lay out --

Director Coats: Well, you know, we lay out all the pluses and all the minuses.

DWG: So what are the pluses, what are the minuses?

Director Coats: If we had two hours we could go through all the details. My role is to make sure that they get all the intelligence assessments, not to formulate that policy in any way. But clearly the issue has been Iran's maligned activities outside the JCPOA that has been at issue. It was an issue when I was in the Senate when we were debating all this. I was pretty outspoken relative to JCPOA. I now am in a new role, so my role is to be objective not subjective on the subject. But it is clear that we are trying to address the many, many maligned activities that Iran is conducting outside the JCPOA and make sure that they're adhering to the details of the agreement inside the JCPOA. So I guess what I'm giving you is a political answer that doesn't have an answer.

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Let me [inaudible] on that. I'm not a big fan, frankly. But this is a fluid situation that is still being under consideration.

DWG: Jen?

DWG: A couple of questions. One is that Russia [just recently] launched an anti-satellite weapon. What is the U.S. doing to respond to that act?

And secondly, how does the reorganization of the Air Force's space and the space community call for a space force affect you and what's your opinion?

Director Coats: A lot of efforts out there by more than one country relative to gaining space capabilities, and that includes sometimes anti-satellite capabilities. We track that very, very carefully. We are fully aware of it. Obviously we take counter-measures to prevent that kind of thing from happening.

Space is becoming an ever more important domain. It's no longer boots on the ground, it's satellites in the air that are very vital to our ability to connect and do what we need to do to [warn] our forces and so forth. But we continue to see that development happening in more than one country.

The threat assessment that [inaudible] the public, the public part of that, China, Iran, Russia, others are seeking these capabilities. The question is, to what level does it rise that would result in a new command which the Air Force is, it's under discussion with the Department of Defense relative to whether we deal with the issue within our current structure or whether we add a Space Command, but that decision hasn't been made. That will be a DoD decision, ultimately pushed up to the President.

DWG: Would [inaudible]?

Director Coats: Would it help with that? We get very good

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information collection now on all of this. As I said, whether it rises to the level of threat that would require a new command, I think it's under discussion.

DWG: Tony?

DWG: One on Syria and one on North Korea.

If the White House asks you for your assessment of the geopolitical consequences of the U.S. pulling out of Syria by the end of the year in terms of Russia and Iran, [inaudible], what would [you say]?

Director Coats: We've been having those discussions about all of that. I can't go into the details of what was decided on yesterday with our national security team and with the President, but there will be released a statement if it hasn't been already, shortly, relative to the decision that was made on that topic.

DWG: I'm asking you your assessment, the IC's assessment of what would the geopolitical impact be on the U.S. pulling out of Syria?

Director Coats: Any of that information would be classified and I wouldn't be able to -- we had lengthy discussions about that yesterday.

DWG: Did you just say the decision [inaudible] we're all like eyebrows thinking and raising --

Director Coats: Have decisions been made about --

DWG: Did you --

Director Coats: No, I said we discussed --

DWG: You said you a decision --

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Director Coats: Did I say that? Well, I meant to say that we had a significant discussion about that yesterday.

DWG: Sir, just to make sure. You said about, somebody correct me, you said you didn't want to talk about the decision that had been reached --

Director Coats: What I meant to say is I think shortly there will be a release of what was determined yesterday.

DWG: So there was a decision made.

Voice: We're not going to discuss what the decision is.

DWG: We understand that. But you are saying a decision, a determination about a pull-out from Syria was made yesterday.

Director Coats: Yes.

DWG: Can I follow up on that?

Not acting, of course, was a decision that was made but can you just give us the IC assessment of the threat from ISIS if the U.S. were to pull all troops out? We've heard that anywhere up to six months before the [inaudible] is pulled out. So what's your assessment of what would happen without U.S. presence there?

Director Coats: That's information I can't give you right now.

DWG: Do you think there is a need for a continued U.S. military presence on the ground to continue to go after ISIS? Or do you feel like it's complete at this point? What's the assessment?

Director Coats: All hands on deck yesterday discussed that subject and some decisions were made but I can't release any details about those decisions.

DWG: Martha?

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DWG: Director Coats, can you talk a little bit about when this decision was made? Because you had General Votel talking yesterday, you had Brett McGurk talking that a continued presence was essentially necessary in Syria [inaudible]? So was this prior to that, after that? Did they address essentially what the IC community is saying? Or are they [inaudible]?

Director Coats: [I] spend a lot of time down at the White House, a lot of trips from McLean to the West Wing, and we have ongoing discussions relative to a whole range of issues and yesterday one of those discussions was relevant to this issue. I just have to stand by the fact that I think a statement will be issued relatively soon, relative to that.

DWG: Can we just say, can we get a time frame on this? Was this before --

Director Coats: Well, it's the White House's decision in terms of when they release it.

DWG: No, sorry, a time frame on when the decision was made yesterday. Was it before the President's [inaudible]?

Voice: I don't think we know the chronology of that.

DWG: Okay.

DWG: Paul?

DWG: I was going to change the topic. I'm happy to keep on this.

DWG: Can I ask my North Korea question?

DWG: The IC is going to be asked on the efficacy of a freeze going into the May negotiations. What is the IC's assessment right now of whether a freeze would be useful in halting in place North Korea's ICBM capability? We're told they don't have

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all the technologies yet to cross the goal line. Would a freeze be useful?

Director Coats: Well, there are discussions obviously going on setting up toward what these discussions would be. Right now we are providing and we will continue to provide assessments on anything linked to these discussions, but it's a very fluid situation right now relative to what might be talked about, what might not be talked about, what kind of sequencing there will be and so forth. It's ongoing, but I don't have an answer for that.

DWG: Paul?

DWG: I was going to ask you about Saudi Arabia. In your [inaudible] assessment you talk about a [proxy] war between Iran and Saudi Arabia being among those likely conflicts to erupt in the near future. Can you talk about any discussions you had about that [inaudible] and whether you're, did you discuss that with him? Has your thinking on that evolved? Did he tell you anything about the prospect of that that might change your thinking?

Director Coats: I didn't [inaudible] conference on this trip here, so --

DWG: Did you see anything from the statements on the trip or anything that came out of the meetings?

Director Coats: The only thing I've seen, or assessed, is what has been publicly released on that. Well, I have some additional information on that, but all that's classified.

DWG: Can I just ask, with that in mind, and with the trip or without it, do you see Saudi Arabia's role in the region changing [inaudible]?

Director Coats: I think we've all seen Saudi Arabia's role in the region in a state of change. There's been a lot of

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discussions and interactions back and forth, not just us but other nations, relative to where Saudi Arabia might be going. So clearly, six to twelve months ago what Saudi Arabia's position was in the region is under significant consideration for change under the leadership of [MBS]. So that's an ongoing matter, but clearly, it's clear that Saudi Arabia is not necessarily, well, it's significantly positioned itself to be a counter-balance to Iran.

DWG: Wall Street Journal.

DWG: I wanted to ask about [Inaudible]. You just [inaudible] talked about the emerging realization of the dangers of [the perils to] mid-term elections [inaudible]. Is there enough time for the U.S. to plan to prevent and protect against whatever Russia might --

Director Coats: We sure hope so. They're not going to change the date of the election, so you know, the days are counting down, but there is significant multi-agency efforts underway to try to assure the American people that these elections will be legitimate and not tampered with. Again, I think the more exposure and the more engagement. DHS is taking a very significant role in this, the FBI. We've got multi-agencies working together to try to inform election officials. We convened one, how long ago was that?

Voice: It was about a month ago.

Director Coats: With election officials from many, many states, and that was a combined interagency process saying what do we need to do, what do you need to do, what are your problems, what, you know, can you assure us that your voting process is secure.

DWG: What would you like to see accelerated that could be accelerated [inaudible]?

Director Coats: I think just continued effort based on the time

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line that this has got to get done and it's got to get done before the ballots go out or the machines are tuned up. And once again, trying to find the weak spots, where maybe states haven't had the capability, but we've been working with them to give them the capability.

DWG: Is there a way to get the President on board so he can publicly articulate [inaudible]?

Director Coats: To my knowledge, the President has not ever said anything relative to doing anything that would impede that progress. He's been fully supportive of a legitimate election.

DWG: Gopal?

DWG: Thank you. Going back to a couple of questions on Russia and what you said about stay tuned, there's going to be a response. You and others have said that there has been an information warfare waged by Russia. A lot of the steps that have been described in the last several months are largely in the defensive category, responding to those maligned activities. Is there a role for U.S. intelligence agencies to go on the offensive in terms of information warfare?

Director Coats: That's under serious consideration. The larger issue of cyber and the kind of attacks. In my threat assessment I talk about America being under attack, under cyber attack. Cyber falls in that gray zone of is this warfare or not warfare? It's something, you know, we're not lining up tanks and planes and kinetic, for a kinetic engagement, but yet it is in that gray zone of, I use the word attack. I wanted to get people's attention that we have a cyber problem, a cyber issue that we need to deal with. It's affecting a lot of elements of our society and our economy. And I'm publicly on board with the idea that you can't just play defense, you have to play offense. How we play offense, what kind of offense is under serious consideration.

DWG: Is that part of the cyber documents being worked by the

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administration?

Director Coats: We're looking at all aspects of cyber.

DWG: Does it mean a new law, a change of law? Is there a presidential finding that's needed? What would actually [raise] that [inaudible]?

Director Coats: It could be all of the above, depending on what we feel we need in order to protect ourselves not only defensively, but to send signals that we're not going to tolerate somebody using this method to attack our systems.

DWG: How soon do you think you might have an answer on that?

Director Coats: I can't give you a specific date on that, but it's sort of an all of government, all of agency engagement in this. There's more going on relative to this issue than I think has been reported, but it is one of our major challenges.

It's no secret that in my threat assessment cyber was right up there at the top.

DWG: Sandra?

DWG: Thank you. I wanted to follow up on Jen's question on the intelligence about the space threat. And DoD officials and the military, they talk about how they're doing more with the intelligence community, that there's close cooperation, that they're doing things more jointly than they ever have in the past. Is that something that you have pushed? Is it something that you see changing anything? Any particular advantages that you see in working more closely with DoD?

Director Coats: There's some history of disagreements between some of the agencies, Defense, non-Defense in the past. We have a very close working relationship now on both sides of this. DoD is a solid partner. We communicate daily, every minute. Everything is coordinated. There's been a benefit from the

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[inaudible] law. We've worked across a lot of hurdles. I was privileged to be the fifth, not the first, second, third, Director of National Intelligence, because I inherited something that through a process has been put together, and there is total recognition now among all the agencies that we are in a far better place in terms of sharing information, coordinating information, trying to boil it down into a coordinated assessment, and the relationships have been terrific.

DWG: Would you like to see DoD invest more and put more effort into space, counter-space intelligence? Just [inaudible] the intelligence community?

Director Coats: They're doing a lot already.

DWG: Mr. Director, there's already something running out of this room, and I just want to read it to you because it may not be how you want to leave things. I'm not sure. I want to give you the opportunity.

It says that you told reporters just now that a decision has been made on U.S. involvement in Syria and a statement will come out soon. Is that what you mean to be saying here? Is that true?

Director Coats: I don't know if I used the word soon.

DWG: You did.

Director Coats: Relatively soon. A decision has been made and something will be said relatively soon. Relatively.

DWG: -- a decision on the withdrawal, because I believe that was Barbara's question. [Inaudible] about withdrawal --

DWG: You said determination [inaudible] decision, with all due respect. Now you didn't say what that was. Just a decision.

Voice: I think he said what he said. You guys got it. You're

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all here, you all heard it, it's been recorded. Let's move on.

DWG: [Inaudible] with Russia. What do you see in [his] preparations for the talks with President Trump? Is he signaling any kind of concession? Has he toned down his own clear activities? Or are they [inaudible] strong? What do you think his plans are? Or is this preparation for [inaudible]?

Director Coats: Whatever we may have gathered relative to listening to his plans I couldn't release. On the other hand, we've said from the beginning, one of the hardest collection components out there is North Korea. So what is flowing through Kim Jong-un's mind relative to what he's going to say to Vladimir Putin is, you know, we'd love to know exactly what that was.

DWG: Are you going into this [inaudible] bilateral talks? Or since he's talking to Russia and China, is this going back to a five-party situation?

Director Coats: I don't think we know at this particular point exactly what it is. It is what it is. We know he went to China and talked with Xi. We know there's an invitation to go to Russia to talk with Putin. But what they talk about is hopefully something we will know, but at this point it's just speculation.

DWG: One small follow-up. There was a report yesterday that since he's visiting Xi Jinping, China has, China may have loosened controls on trade with North Korea. Have you seen --

Director Coats: I haven't seen any evidence of that or any proclamation of China that that's happened.

DWG: Inside the Pentagon?

DWG: The defense industrial base, defense contractors, the defense supply chain. Those are often places where U.S. adversaries go to collect information, steal intellectual

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property. Admiral Rogers and now General Nakasone have said that it's an emerging concern that cleared U.S. contractors are not doing the right things to protect classified information. We got the DoD IG just this week. They released a report saying the Missile Defense Agency is not properly overseeing its cleared contractors, and that's pretty sensitive information when it comes to classified information about the ballistic missile defense system.

What is the conversation between the intelligence community and DoD about how to better approach this problem? And what are some of the solutions here?

Director Coats: We're in daily contact with DoD and working throughout the intelligence -- they're very, very much a part of the total IC. Think of it as one entity working together. So we have minute by minute conversation and information sharing on a 24x7 basis, and this is an issue which is very prominent right now.

DWG: Can you tell me what in your view is some of the solutions maybe that you would look at to try to get your arms around what it is? These are cleared contractors who are now posing a threat.

Director Coats: Well, you know, we are working with those contractors and those contractors are working with us. Obviously, they want to keep their contract, so we're doing everything we can to make sure that that supply chain is protected. And whatever changes need to be made, they're more than willing to work with us on that. As I said, they would like to keep the contract.

DWG: Sir, we're practically out of time. If I may, I'm going to ask one last question. I'm just curious. Do I understand rightly that in addition to the big picture, you also brief the President, you and others, brief the President almost every day. What is that process like? How does he like to receive information? What works for you?

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Director Coats: As someone coming from outside the governmental system, he was, and continues to be, a good recipient of information. We try to bring a whole range of matters before him, presented in different ways including bringing in experts on a specific subject. So what I originally thought was going to be that, you know, a short amount of time, we've spent much more time with the President in the Oval Office on the briefings than any of us anticipated. So virtually, I mean not every day, but significant days of the week, up early, out in Virginia preparing for that briefing and then going down to the White House.

DWG: I can't thank you enough on behalf of all the colleagues here, taking the time to be on the record with us in the midst of everything. Again, thank you very much. I hope we can do this again in the future. Sorry you didn't get to eat your breakfast.

Director Coats: I was conditioned by my mother a long time ago. Don't talk with your mouth full.

DWG: Thank you, sir.

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