Monday, 13th December 2010

SIR DAVID PEPPER

SIR JOHN CHILCOT: Welcome to Sir David Pepper, our witness this afternoon. This session could last for a couple of hours or so with a break midway, and I begin by apologising for the technical hitch that delayed our start. This session follows on from earlier sessions with the heads of SIS and the Security Service and will complete the picture the Inquiry has of the way the intelligence agencies supported UK policy in Iraq.

Now we recognise that the witness' time as Director does not cover the entire period of this Inquiry. In particular, you did not take up your post until just after the invasion, but I hope you can share with us some of the lessons learned both from your own time as Director and institutionally from the experience.

Now this session is being held in private, because we recognise that much of the evidence on the areas we wish to cover will be sensitive within the categories set out in the Inquiry's protocol on sensitive information, for example, on grounds of international relations or national security. In particular, we shall want to use this session to explore issues covered by classified documents.

We will apply the protocol between the Inquiry and HMG regarding documents and other written and electronic information in considering whether and how evidence given in relation to classified documents and/or sensitive matters more widely can be drawn on and explained in public either in the Inquiry report or, where appropriate, at an earlier stage.

Now if other evidence is given during this hearing which neither relates to classified documents nor engages any of the categories set out in the protocol on sensitive information, that evidence would be capable of being published, but subject to the

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procedures set out in the Inquiry Secretary's letter to you.

Now we recognise that witnesses give evidence based on their recollection of events. We, of course, check what we hear against the papers to which we have access, which are still coming in. On every occasion I remind each witness he will later be asked to sign the transcript to the effect that the evidence given is truthful, fair and accurate. For security reasons we will not be releasing copies of the transcript outside the Inquiry's offices upstairs here at Great Smith Street, except we will for you.

SIR DAVID PEPPER: And I am grateful for that.

SIR JOHN CHILCOT: And you can have access whenever you want it.

With those preliminaries, necessary preliminaries, out of the way, can I turn straightaway to Sir Martin Gilbert to start the questioning? Martin.

SIR MARTIN GILBERT: Sir David, you took over as Director of GCHQ in April 2003. Can you describe to us what the job entailed in general terms?

SIR DAVID PEPPER: Of being Director?

SIR MARTIN GILBERT: Yes.

SIR DAVID PEPPER: Well, in many ways it's the same as any other Permanent Secretary. So I was accountable for the full range of activities of GCHQ and I had an Accounting Officer letter, like any other Permanent Secretary.

The focus of the job -- I should add to that I was also a member of the JIC and therefore, if you like, had two theatres of operation. One was within the organisation, but the other was seeing myself as one of the people responsible for running the UK intelligence community, and I think "the intelligence community" is an important phrase, because it needs to be and I think it is

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an intelligence community. So there are those two parts of it.

The focus in GCHQ during certainly the start of my tenure but throughout it I think was -- had several different strands. They are just worth putting on the table perhaps, because they may become relevant. There was obviously the service of intelligence to key customers, of which the conflict going on in Iraq at the time I took over was clearly one of the key ones, but there were a number of services going on, but we were also in the process of transforming the organisation from essentially a Cold War organisation into a modern one, and as part of that we were just about to start the process of moving the entire organisation out of its very old accommodation into the new building. That move started in September 2003. So in April we were gearing up for that.

That becomes relevant at some point when I talk, if you want me to, about some of the ways in which we were able to use the new accommodation to enable us to do things rather better in terms of support of operations.

SIR MARTIN GILBERT: I think we will definitely come on to that.

As Director, how far were you involved in GCHQ's operational work in Iraq?

SIR DAVID PEPPER: Well, not closely, simply because I had a very competent -- I had two successive very competent Directors of Operations, who were personally looking after what was going on in Iraq.

Of course, as Accounting Officer of the organisation, I, you know, took enough of an interest to know -- to be sure I knew what was happening and that we were doing well enough. I paid two visits to Iraq during my time.

We had a very regular series of intelligence briefings within the organisation. Indeed, there was a daily intelligence brief,

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which I would go to most mornings, which would cover current activity, and I would engage from time to time through the Director of Operations or with the people producing intelligence to make sure I was aware of what was going on.

Then, of course, as a member of the JIC, in order to participate in JIC discussions, I had to make sure I knew enough about intelligence we were producing to provide that bridge.

SIR MARTIN GILBERT: You mentioned a moment earlier about the JIC. Can you elaborate a little on what your role within the JIC was?

SIR DAVID PEPPER: Well, my role within the JIC was to be a member of the JIC. That's, as it were, invariably you are there as a full member. On the one hand, as Director of GCHQ, you might be called upon to explain some of the significance of some of the Sigint or comment on it. That in my experience was very rare and normally I, like others, was acting as a member of a committee looking at draft intelligence assessments and trying to make sure we were getting them right.

But if I can just add to that, there's a second role of the JIC, and there's a wider role, which doesn't necessarily focus only on the JIC, which is that of being the -- being in charge of the -- collectively in charge of the UK intelligence community, and I saw that as a very important role indeed, and whereas attending JIC meetings was something I did or didn't do week by week according to what my calendar was, and that was immediately delegatable, being collectively responsible for the management of the intelligence community was something I saw as a very personal role and very important role.

In part that was discharged through things the JIC did, but in part it was discharged outside through either informal or formal workings with the other agency heads, with the Cabinet

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Secretary, with the Intelligence Coordinator and so on.

SIR MARTIN GILBERT: Thank you. In terms of the wider government decision-making in Iraq -- on Iraq how far were you personally involved or GCHQ in that?

SIR DAVID PEPPER: Very little. Very little. Clearly I was involved in helping to produce the intelligence assessments that would guide the decision-making, but I was not involved in the strategic leadership of the events of activities in Iraq, if I can put it that way.

SIR MARTIN GILBERT: Were you invited to Cabinet Committee meetings to discuss it?

SIR DAVID PEPPER: On occasion if there was intelligence to be discussed, but generally not.

SIR MARTIN GILBERT: Right, and interdepartmental work?

SIR DAVID PEPPER: Yes. I'm trying to put -- bring back some memory of it. Mostly in an intelligence context, and I'm struggling to remember interdepartmental meetings on Iraq strategy. I don't think I was involved in those as far as I can recall, certainly not on a regular basis.

SIR MARTIN GILBERT: And in terms of one-to-one meetings with ministers or --

SIR DAVID PEPPER: Well, the Foreign Secretary regularly, of course, and -- I mean, regularly and frequently. Other Ministers I would keep in touch with as necessary or simply to make sure I was keeping in touch. So I might go and see the Defence Secretary a couple of times a year to talk about the whole range of business between GCHQ and the Ministry of Defence.

SIR MARTIN GILBERT: And in terms of policy discussions at a lower level did GCHQ have an involvement and did that change

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over time?

SIR DAVID PEPPER: We were certainly involved in some of the detailed planning insofar as it affected GCHQ's operations. We were certainly involved in discussions of intelligence assessments at a level below the JIC, so Current Intelligence Groups or other discussion groups of that sort, and I'm sure ad hoc on other subjects, so I suspect in interactions with [redacted], for example, but I can't -- I can't give you any chapter and verse on that.

SIR MARTIN GILBERT: In terms of the record, which is obviously something we've been concerned about now for fifteen, sixteen months, was there a practice of GCHQ representatives of drawing up notes, issues discussed at cross-departmental meetings?

SIR DAVID PEPPER: There certainly would have been. Certainly people who had attended meetings would have reported -- well, they would have reported back to other interested people within GCHQ on what they had heard, said, been party to.

SIR MARTIN GILBERT: Can I turn on to the period when you had just arrived, and, of course, the initial military operations had passed, but -- or they were ending, but what was your personal sense when you arrived of GCHQ's contribution to the military operations to sort of late March/early April?

SIR DAVID PEPPER: [redacted]

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There was some very particular activity going on in support of [redacted], and I know that during the conflict or during the run-up to the conflict and in the early days a significant relationship had to develop between our analysts and the [redacted] people, and we might come on to this later, but there was a very important thing had to go on there, which was developing trust.

So one of the things that had to be learned I think on both sides was that we could only help them if they told us what they were doing. Certainly when I talked to the people who were doing that within some time during my first week in post, if I remember rightly, they were very pleased with the way that was going and knew they were making a significant contribution because that relationship of trust had developed, but I think our contribution was -- the significant contribution was of that sort of niche type during that time, because [redacted]

SIR MARTIN GILBERT: One final question from me. When you took up your position, what sense did you have of the timescale of GCHQ's likely involvement?

SIR DAVID PEPPER: Well, we were looking forward to it finishing rather quickly. You know, one looks back on it. I can remember, and I think you have seen one exchange, quite an early conversation with the Foreign Secretary in which I was saying, you know, "We rather thought we'd be winding down by now, but we are struggling to sustain the effort".

SIR MARTIN GILBERT: Thank you very much.

SIR JOHN CHILCOT: I will turn to Sir Roderic Lyne.

SIR DAVID PEPPER: May I add a point?

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SIR JOHN CHILCOT: Yes, please.

SIR DAVID PEPPER: We'll come back to it. There is a very, very important longer term point in that, which is when we look at what we were doing over the next two, three, four, five, years, had we known how long it was going to go on, there were undoubtedly things that we would have done in those early months to facilitate what we could have done later. We can come back and talk about that.

SIR JOHN CHILCOT: Just as a follow-up point, technically it is just before your time as Director I know, but had GCHQ offered the Chiefs of Staff and others an assessment of Iraq's own strategic communications, quality, facilities, whatever?

Is that part of GCHQ's job.?

SIR DAVID PEPPER: We wouldn't normally do that. If they had asked for an assessment of that sort, I would have thought they would have asked either the DIS or JIC and we would have contributed to that. I can imagine a paper of that sort, that actually it might emerge as a JIC paper, but GCHQ might well have written it.

SIR JOHN CHILCOT: Yes, but, as history has it, we have not seen anything like that.

SIR DAVID PEPPER: No, I have never ever seen it. I can't quite think why they would have done it. Well, they might have asked about it in terms of operational effectiveness. I suspect at some point in due progress -- it's always dangerous to speculate -- I suspect at some point there would have been some reflection of the changes that had occurred in Iraqi communications [redacted].

SIR JOHN CHILCOT: But that would be very general.

SIR DAVID PEPPER: I am merely guessing that must have happened

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at some point over that decade.

SIR JOHN CHILCOT: Thank you. Rod, over to you.

SIR RODERIC LYNE: Can I just come back on one detail that Sir Martin asked about? You said that you had frequent meetings with the Foreign Secretary one-to-one.

Did you have meetings with the Prime Minister one-to-one?

SIR DAVID PEPPER: No.

SIR RODERIC LYNE: Never?

SIR DAVID PEPPER: On one or two particular subjects, but not -- not ever on Iraq.

SIR RODERIC LYNE: Not a sort of intermittent --

SIR DAVID PEPPER: No.

SIR RODERIC LYNE: -- bilateral --

SIR DAVID PEPPER: No.

SIR RODERIC LYNE: Was that a departure from previous practice of your predecessors?

SIR DAVID PEPPER: I know some of my predecessors had, if you go far enough back. I know Sir John Adye used to have a regular session with the Prime Minister. I don't think it had happened for some considerable number of years. Certainly my immediate predecessor didn't.

SIR RODERIC LYNE: You also said at the outset that Iraq in the period you were leading GCHQ was one of the key issues.

Can you give us a sense of roughly what proportion of GCHQ's effort and resources were -- was put into work relating to Iraq in this time?

SIR DAVID PEPPER: I think you've been given some new figures. The original submission we've put in -- not we -- GCHQ put in had

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a statement in it, which I think turned out to be rather incomplete. If you have got the numbers ...

SECRETARIAT STAFF: I think it is just above the divider in your packs.

SIR DAVID PEPPER: You'll see there that as a proportion of -- it is always difficult to say what proportion of what GCHQ was doing was devoted to subjects X, Y and Z. There's an enormous numbers game you can play there.

The measure we've used here, which is one we have found useful in the past, is to measure it in terms of the proportion of Operations analysts who are working on a particular subject. It doesn't cover the people who are collecting the signals and whatever else, but this is one way. It is as good a proxy measure as we've ever found.

[redacted]

SIR RODERIC LYNE: Right. So that reflects how it actually fluctuated. [redacted].

SIR DAVID PEPPER: Yes.

SIR RODERIC LYNE: [redacted].

SIR DAVID PEPPER: [redacted].

SIR RODERIC LYNE: Yes. What were the limiting factors on the amount of effort you put into Iraq?

SIR DAVID PEPPER: A big limiting factor was the number of linguists. That's usually the limiting factor on GCHQ effort

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these days, simply because the skill involved for linguists to tackle this sort of work is such that it takes a long time to get them to that level.

I mean, during the Cold War we used to train Russian linguists -- you know, we had a sausage machine to train Russian linguists. Certainly the ones who were going to do very straightforward military communications could get to an adequate level of competence really quite quickly, but for Arabists to do the sort of work they were having to do, particularly once we were into the political phase in Iraq, you need years of experience and you simply can't produce them quickly. So on practically any subject I can think of the number of linguists and availability of linguists' skill usually turns out to be a limiting factor.

SIR RODERIC LYNE: Presumably in order to meet the Iraqi requirement you would have had to have drawn down Arabists from other parts of the Arab world that some of them might have been working on. There'd be a zero sum equation in here.

SIR DAVID PEPPER: Yes. I mean, over time you can train more and we did train more over time, but at any one moment in time it must have been true that we diverted people from elsewhere.

Of course, even that isn't as easy as it sounds, because it's very easy – sorry -- you may well be an Arabist -- I don't know. It is very easy for us to talk about Arabic, but actually Iraqi Arabic is very different from some other forms. You know, Arabic is not a language necessarily that anybody can just move from one country into another.

SIR RODERIC LYNE: You said a few moments ago that things might have been different if GCHQ had known how long we were going to be in Iraq for.

If we go to the early period, the period you took over and

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the immediate post-conflict phase, spring of 2004 -- 2003, and the first year there, the narrative, the very useful paper we have had from GCHQ written in April of this year, which you have also I think had the opportunity to read --

SIR DAVID PEPPER: Yes.

SIR RODERIC LYNE: -- refers to [redacted]?

SIR DAVID PEPPER: [1] [redacted]

SIR JOHN CHILCOT: [redacted]?

SIR DAVID PEPPER: [redacted].

[1] The witness outlined the technical challenges that the Iraq conflict had presented to GCHQ.

SIR JOHN CHILCOT: [redacted].

SIR DAVID PEPPER: [redacted]

SIR RODERIC LYNE: So just to make sure I have understood this right, the CPA was actually bringing in international telecommunications companies to provide this service because effectively it hadn't existed before?

SIR DAVID PEPPER: Well, they were signing contracts with them. To what extent they were putting them in and to what extent they were authorised --

SIR RODERIC LYNE: Yes, signing contracts for them to come into Iraq and provide this service?

SIR DAVID PEPPER: Absolutely.

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SIR RODERIC LYNE: [redacted]?[2]

SIR DAVID PEPPER: [redacted].

SIR JOHN CHILCOT: [redacted] --

SIR DAVID PEPPER: [redacted]

SIR JOHN CHILCOT: [redacted].

SIR DAVID PEPPER: [redacted]

SIR RODERIC LYNE: [redacted]?

SIR DAVID PEPPER: [redacted].

SIR RODERIC LYNE: [redacted] --

SIR DAVID PEPPER: [redacted].

[2] Sir Roderic asked about the role of the CPA and awarding contracts for communication providers and the implications this had for GCHQ work.

SIR RODERIC LYNE: -- [redacted].

SIR DAVID PEPPER: [redacted].

SIR RODERIC LYNE: You can't shed any more light on it than that?

SIR DAVID PEPPER: I can't shed any more light on it.

SIR RODERIC LYNE: Thank you. That was interesting.

Otherwise you say it's an oversimplification to think that, if you had had longer notice, we could have been up and running very fast, because [redacted] and also indeed you can't just pull Iraqi speaking Arabists off the shelf?

SIR DAVID PEPPER: That's right.

SIR RODERIC LYNE: Within that what reasonably -- what more could have been done to get up and running quicker, and what sort of a difference might it have made, given what you were able to achieve after you got up and running at scale in Iraq?

SIR DAVID PEPPER: It's a very good question. It's a hard one to answer. I suspect there are a number of dimensions to it.

One is that we would have been probably starting earlier to build up our pool of Iraqi competent linguists, and we'd have been starting earlier to think about the analytic resources that we needed. So it was an internal capability thing we would have done.

SIR RODERIC LYNE: That would have required, what, at least six months' lead time?

SIR DAVID PEPPER: Well, it's more a case that every month earlier you start helps. I mean, you know, it took us in terms of linguists several years to get to the point where we wanted to be. You know, we were still building up through 2004, 2005,

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2006. So every extra month or two or three, or four, or five, or six helps. So I don't think there is a single number you can put on that.

SIR RODERIC LYNE: Right.

SIR DAVID PEPPER: [redacted]

For example, [redacted]

SIR RODERIC LYNE: To what extent, if at all, were budgetary constraints a factor in this?

SIR DAVID PEPPER: Not at all as far as I can remember.

SIR RODERIC LYNE: Not at all, no. You had all the money you needed? That wasn't the problem.

SIR DAVID PEPPER: We were not talking about huge amounts of money really. The other factor there, if our engineers were building that, then they weren't building something else. So they were spending money -- you know, in the short term they were spending money on one thing rather than another thing.

SIR RODERIC LYNE: If I can just pick up another point from the GCHQ brief here, question of priorities. How far was the Iraq requirement competing with other major requirements, and particularly with Afghanistan, which is mentioned in this paper?

SIR DAVID PEPPER: It came to complete with Afghanistan a lot later. In 2003 I don't think it was particularly competing. Other things, well, linguists would be the key resource. Certainly they would have been competition there for the right Arabists, but the scale of things we were doing in 2003 was not I think such as to cause very serious resource competition problems.

SIR RODERIC LYNE: At a later stage --

SIR DAVID PEPPER: At a later stage?

SIR RODERIC LYNE: Yes. At the later stage when Iraq gets particularly difficult in around sort of 2006/7, by then we are deployed in strength in Afghanistan. Were you then having to sort of rob Peter to pay Paul?

SIR DAVID PEPPER: There was -- in order to -- we had three big pressures we had to meet at that point. There was counter-terrorism, and it was during this period we had the July bombs, [redacted]. There was sustaining and indeed increasing Iraq, and then building up in Afghanistan, and we were very clear we had to do those properly.[3]

[redacted]

[3] The witness explained GCHQ's internal prioritisation.

SIR RODERIC LYNE: So in terms of Iraq, the subject of this Inquiry, you were able to focus the resources you needed to do on that .

SIR DAVID PEPPER: .

SIR RODERIC LYNE: Yes. Okay. Weapons of mass destruction. The Iraq Survey Group was deployed to go and look for weapons of mass destruction after the conflict.

How much GCHQ effort was devoted to that, to helping that search?

SIR DAVID PEPPER: We had -- let me consult my notes. My memory is -- it's a long time ago.

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[redacted]

So not large numbers, but again we were putting in the effort that was called for, essentially using -- mostly using the people who were expert in producing intelligence on proliferation, [redacted].

SIR JOHN CHILCOT: Could I just follow up on that a bit more? We have had some indications that the work of the Iraq Survey Group was actually diversionary in the sense it mopped up intelligence assets that we, the UK, had. This is not really the case for GCHQ?

SIR DAVID PEPPER: Certainly from the notes I have got and from my memory I don't think it was a very big deal in terms of GCHQ. [redacted].

SIR JOHN CHILCOT: Thank you. Lawry, you want to come in.

SIR LAWRENCE FREEDMAN: Can I just come in? I mean, I know this is before your period, but from what you are saying is it fair to assume that the main effort of GCHQ in the period leading up to the war was in trying to [redacted] and that [redacted]?

SIR DAVID PEPPER: Yes. Both halves of that statement are true.

SIR LAWRENCE FREEDMAN: [redacted] --

SIR DAVID PEPPER: [4] [redacted]

[4] The witness gave more detail of the pre-conflict activity in relation to Iraq.

SIR LAWRENCE FREEDMAN:

SIR DAVID PEPPER:

SIR LAWRENCE FREEDMAN: Thanks very much.

SIR JOHN CHILCOT: Roderic.

SIR RODERIC LYNE: I would just like to ask about[5]

?

SIR DAVID PEPPER:

[5] Sir Roderic asked about particular aspects of GCHQ techniques. The witness described these in detail.

SIR RODERIC LYNE: ?

SIR DAVID PEPPER:

SIR RODERIC LYNE: ?

SIR JOHN CHILCOT:

[redacted].

SIR DAVID PEPPER: [redacted]

SIR JOHN CHILCOT: [redacted].

SIR DAVID PEPPER: [redacted]

SIR RODERIC LYNE: Just moving on to one or two other aspects of the operation, at the time when we and the Americans were occupying powers and then later when we were in the different mode of supporting the Iraqi government militarily and diplomatically and they had sovereignty, what was the balance between Sigint and Humint in what we were actually able to establish out of Iraq where we were able to shed light?

SIR DAVID PEPPER: Are you thinking [redacted] or across the board?

SIR RODERIC LYNE: Well, I'm thinking across the board, I mean, particularly obviously in dealing with security situation with insurgencies [redacted].

SIR DAVID PEPPER: The balance I think is different in different cases. If we start with insurgency, at the most tactical level Sigint was overwhelmingly the most important source. [redacted]

If you are thinking of , I've no idea what the balance is numerically, but Sigint and Humint are giving you definitely complementary pictures. So, for example, So you have real horse's mouth stuff there.

But there will be other areas where and that complementarity I think will vary quite a lot from one class of intelligence to another and in terms of detail I think actually from one person to another. So around .

SIR JOHN CHILCOT: They will, of course, feed each other.

SIR DAVID PEPPER: They do feed each other. They do feed each other, but it is a patchwork.

SIR RODERIC LYNE: If we just take one more issue on this one, and then go to Lawry. [redacted]?

SIR DAVID PEPPER: [redacted]

SIR RODERIC LYNE: [redacted]?

SIR DAVID PEPPER: [redacted].

SIR RODERIC LYNE: [redacted].

SIR DAVID PEPPER: [redacted]

SIR LAWRENCE FREEDMAN: Before we go on to the next -- I am just interested, given what you were just describing and the sort of things you were able to get through Sigint, whether there were serious problems with distribution, whether some of the stuff was coming through at such a high level of classification --

SIR DAVID PEPPER: No. That wasn't a problem. No. I mean --

SIR LAWRENCE FREEDMAN: You felt able to get the stuff to --

SIR DAVID PEPPER: Absolutely. I mean, you know, Sigint has its own channels. There will be people in theatre -- plenty of people in theatre who weren't seeing Sigint -- who were not

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seeing Sigint, but the people who were able to read it, I am not aware of any -- I can't recall any problems with being able to distribute what we had to people who needed to know it.

SIR LAWRENCE FREEDMAN: Good.

SIR RODERIC LYNE: Given that you were addressing these multiple targets [redacted] did you have to make priority decisions within your finite resources between them or were you able to do the whole lot all at once?

SIR DAVID PEPPER: Can I just say a few words about the relationship with NSA, putting it in focus at this point?

SIR RODERIC LYNE: Please, yes.

SIR DAVID PEPPER: I don't know whether anybody has talked to the Committee about the relationship with NSA. I know the Chairman understands it well, but at the risk of telling you things you know, I just ---

SIR JOHN CHILCOT: We are going to come on to this in a moment actually, David. So say a little piece, but we will want to pursue it in the next set of questions.

SIR DAVID PEPPER: Okay. In thinking about the Sigint service to UK customers, it only makes sense to think about GCHQ and NSA as a single continuum. So the reports that British customers are getting, they will often not know whether they are written by British or American writers on the basis of British or American intercept, [redacted]

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SIR RODERIC LYNE: The net effect was we didn't have significant gaps among important targets because of resource limitations?

SIR DAVID PEPPER: Very dangerous statement for me to say, "Absolutely not". I am not aware of any. I am sure there was always more to do than we could do between us, but the big things I am sure were being looked at. Where there were gaps, I think they were much more likely driven by lack of access rather than lack of resource, if they were important enough.

SIR RODERIC LYNE: Final question from me about kidnappings.

Obviously this was not a continuous subject, but from time to time --

SIR DAVID PEPPER: Continual rather than continuous.

SIR RODERIC LYNE: -- British subjects were kidnapped and it became a very high priority for us to deal with this.

SIR DAVID PEPPER: Yes.

SIR RODERIC LYNE: What were GCHQ able to do about that?

SIR DAVID PEPPER: [6] What we could actually do I think varied from case to case,

[6] The witness outlined Sigint techniques and capabilities relevant to kidnaps.

The sooner you start to do that the better, because

What Sigint can then very often do is -- if you are really lucky

SIR RODERIC LYNE: Thank you.

SIR JOHN CHILCOT: Let's return, if we may, to relations with the US and NSA. Usha.

BARONESS USHA PRASHAR: Yes. I think I would just like to understand a little bit more about the relationship between GCHQ and its US opposite numbers and the importance of their relationship to GCHQ in general.

SIR DAVID PEPPER: Yes. Sure.

BARONESS USHA PRASHAR: Just give some background.

SIR DAVID PEPPER: It is a unique relationship in the intelligence world [redacted] and it's based on a premise of getting as close as possible to complete sharing, and that sharing operates at all levels. So it's a sharing of raw intercept. It's a sharing of techniques. It's a sharing or an exchanging of databases of intercepted material. It's a sharing of reporting, and it's a collaboration in dealing with difficult techniques.

So a report that lands on the desk of a British customer, a Sigint report, could be a report that's written by a GCHQ analyst, using material that has been intercepted by NSA, which has been decrypted as a result of a collaborative work over the long period between American and British cryptanalysts. [redacted]

So if you walk round GCHQ, you will without knowing it walk past quite a lot of American siginters, members of NSA who are integrated into the organisation and are working alongside their British counterparts, in some cases managing them. If you walk around the National Security Agency, you will walk past a similar number of GCHQ people, who are working as though they were Americans.

It is, of course, the case that each agency has to have the right and the ability to hold some information back. [redacted]

[redacted] It is a very remarkable relationship and obviously dates back to Bletchley Park.

BARONESS USHA PRASHAR: So would it be true to say that on Iraq there was interdependence both on collection and analysis?

SIR DAVID PEPPER: Yes, absolutely.

BARONESS USHA PRASHAR: And there was division of labour in terms of who did what role in communication?

SIR DAVID PEPPER: Yes.

BARONESS USHA PRASHAR: Did it work well in Iraq?

SIR DAVID PEPPER: It worked very well. [redacted]

BARONESS USHA PRASHAR: I mean, you were there from 2003 to 2008.

SIR DAVID PEPPER: Uh-huh.

BARONESS USHA PRASHAR: During that period was this modified in light of experience or changing circumstances or did it work?

SIR DAVID PEPPER: No. It was a relationship that goes back to 1946. I mean, you know, we know how to use it. I mean, you adapt it in detail to particular events, but there was no fundamental change.

[redacted]

[redacted].

SIR JOHN CHILCOT: Could I just develop this relationship a little bit further, Sir David? Very simplified I know, but there are both integrated staff from NSA and GCHQ working in either sets of locations. There are also formalised liaison groups.

SIR DAVID PEPPER: Yes, that's right.

SIR JOHN CHILCOT: Was that reflected on the ground in Iraq, that duality, or is it not relevant at theatre level? I am wondering about how you manage and negotiate relations in a tactical theatre.

SIR DAVID PEPPER: [redacted].

SIR JOHN CHILCOT: [redacted]?

SIR DAVID PEPPER: [redacted] I am not sure. Again I can get a definitive answer to that if you want.

SIR JOHN CHILCOT: No, I just wanted to get the general picture.

SIR DAVID PEPPER: But what was going on all the time was very

close interaction between the headquarters units, so the people at GCHQ who will almost certainly have had at least one NSA integree, and I would imagine a GCHQ person in the NSA Iraqi team. I mean, at that level there's a huge amount of interaction going on. They are then able to steer and influence what's going on in theatre.

SIR JOHN CHILCOT: Yes.

BARONESS USHA PRASHAR: You have given a very clear description of how the relationship worked, but I just make some observations.

How did the experience of Iraq affect the GCHQ's relationship with the US?

SIR DAVID PEPPER: In many ways it strengthened it, I would say, because we were working so closely alongside each other in a theatre of -- in a conflict zone, and that strengthens it.

We certainly developed -- worked together in developing analytic techniques, and certainly we were eager to benefit from a lot of the technical investment that NSA was making. So we were working close enough with them to make sure we were plugged into that.

None of that I think really amounts to a change in the nature of the relationship. It is merely extending an existing relationship into a new scenario.[7]

[redacted]

[7] The witness expanded on that point, with more specifics about the US and UK not always having the same policy approach.

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BARONESS USHA PRASHAR: Were you aware of that before? Is that something which -- did that come to light during Iraq?

SIR DAVID PEPPER:

BARONESS USHA PRASHAR: ?

SIR DAVID PEPPER:

SIR JOHN CHILCOT: So pursuing that in a slightly blunter fashion, we have had a lot of evidence about the dysfunctionality of the US administration in this period as between different agencies, departments and whatever.

Is the GCHQ/NSA relationship a lens through which we can perceive some of that in a way that we wouldn't otherwise be able to do?

SIR DAVID PEPPER: Well, in principle, but I am now thinking what my answer to your next question will be, which is whether I have any insight into those relationships through the GCHQ lens.

SIR JOHN CHILCOT: Yes.

BARONESS USHA PRASHAR: Yes, exactly.

SIR DAVID PEPPER: I'm not sure that -- well, I may have done at the time, but there is nothing sitting in my mind which says, "Gosh! Here's an insight we have" that nobody else was having.

What we did have I think was, as it were, a relationship which meant that when there was a piece of joint planning activity going on, we and NSA were looking at what was going on through the same eyes in effect, and that I think could be helpful in helping to reach a common way forward, but I'm not -- but -- I'll stop.

SIR JOHN CHILCOT: So was not the case as far as you can recall during the Iraq set of operations that GCHQ would offer to the UK policy-making community an insight about how particular bits of the US administration were thinking or planning that we wouldn't otherwise have had access to?

SIR DAVID PEPPER: [redacted]

but at a macro, really strategic level I can't think of a case.

SIR JOHN CHILCOT: Right. Thank you.

BARONESS USHA PRASHAR: I mean, moving back to that, you were saying that, you know, you were heavily involved at the operational level.

SIR DAVID PEPPER: Uh-huh.

BARONESS USHA PRASHAR: Were there issues at operational level that gave you insights which would have had impact on the way they were thinking? Any examples there?

SIR DAVID PEPPER: No. I think the nearest I can think of is that we were able to say in the run-up to the invasion, "It's very clear from our dealings with the NSA just how serious and determined the planning is" and, you know, it was very clearly what NSA were being told they had to do, but I am not sure that did any more than add just a shading to what was already perfectly obvious from everything else. At least we could say, "What we are seeing is consistent with the interpretation we think the UK is putting on American intent".

BARONESS USHA PRASHAR: Yes.

SIR JOHN CHILCOT: In our system it is very clear that the Foreign Secretary stands politically over GCHQ in terms of giving it policy direction. Who stands over the NSA --

SIR DAVID PEPPER: The Department of Defense.

SIR JOHN CHILCOT: Yes.

SIR DAVID PEPPER: NSA is part of the Department of Defense.

SIR JOHN CHILCOT: Yes.

BARONESS USHA PRASHAR: Just one last question. Were there other international relations that were relevant to GCHQ's work in Iraq other than the United States?

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SIR DAVID PEPPER: [redacted]

BARONESS USHA PRASHAR: How relevant were they for Iraq?

SIR DAVID PEPPER: [redacted]

BARONESS USHA PRASHAR: [redacted]?

SIR DAVID PEPPER: [redacted]

SIR JOHN CHILCOT: Thanks. I think in a few minutes we might take a break and a cup of tea. Before that over to Sir Lawrence.

SIR LAWRENCE FREEDMAN: It is me between tea.

SIR DAVID PEPPER: No pressure!

SIR LAWRENCE FREEDMAN: No pressure. Can I just go back a little? Just one question following from the discussion on the relationship with NSA, which is you described considerable mutual dependence.

Do you do sort of quality control on each other? We are relying on them for a lot of material coming through. Do we sort of do our own occasional checks just to see that we are comfortable with it?

SIR DAVID PEPPER:

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SIR LAWRENCE FREEDMAN: .

SIR DAVID PEPPER: .

SIR LAWRENCE FREEDMAN: That's interesting. I mean, how often -- in other areas you can see very sort of cultural variations between the UK and US in how they view things.

Did you get that same sense or, you know, could the differences be in any direction?

SIR DAVID PEPPER: No. There's no -- I can't think of a sort of generic issue of that sort. The Sigint report, they may be written in a slightly different language and the spelling might be slightly different, but nonetheless people ...

SIR LAWRENCE FREEDMAN: So it was sort of interpretation of specifics rather than --

SIR DAVID PEPPER:

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[redacted]

SIR LAWRENCE FREEDMAN: [redacted]

SIR DAVID PEPPER: [redacted]?

SIR LAWRENCE FREEDMAN: [redacted]!

SIR DAVID PEPPER: [redacted].

SIR LAWRENCE FREEDMAN: [redacted].

SIR DAVID PEPPER: [redacted]?

SIR LAWRENCE FREEDMAN: [redacted] ...

SIR DAVID PEPPER: Yes. Sure. I am just thinking where to start.[8] [redacted]

[8] The witness outlined sensitive Sigint techniques, including the challenges of maintaining operations in a difficult security environment.

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SIR LAWRENCE FREEDMAN: ...

SIR DAVID PEPPER:

SIR LAWRENCE FREEDMAN: ?

SIR DAVID PEPPER:

SIR LAWRENCE FREEDMAN: So there's a sort of underlying advance, but lots of setbacks along the way?

SIR DAVID PEPPER: Absolutely.

SIR LAWRENCE FREEDMAN: This from what you were describing is as much about the security conditions as resource --

SIR DAVID PEPPER: Absolutely. It's predominantly about that, yes.

SIR LAWRENCE FREEDMAN: What about the need to carry your -- out your operations running counter to the trend in UK policy -- coalition policy in terms of being in a particular place in a particular way?

SIR DAVID PEPPER: Sorry. I am not sure I entirely understand the drift of your question.

SIR LAWRENCE FREEDMAN: Let me be more specific. What about -- what about getting out of Basra?

SIR DAVID PEPPER: ?

SIR LAWRENCE FREEDMAN: .

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SIR DAVID PEPPER: [redacted]

SIR LAWRENCE FREEDMAN: [redacted] --

SIR DAVID PEPPER: [redacted].

SIR LAWRENCE FREEDMAN: [redacted]?

SIR DAVID PEPPER: [redacted] --

SIR LAWRENCE FREEDMAN: [redacted] --

SIR DAVID PEPPER: [redacted]

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[redacted]

SIR LAWRENCE FREEDMAN: [redacted].

SIR DAVID PEPPER: [redacted].

SIR LAWRENCE FREEDMAN: [redacted]?

SIR DAVID PEPPER: [redacted].

SIR LAWRENCE FREEDMAN: [redacted]?

SIR DAVID PEPPER: [redacted].

SIR LAWRENCE FREEDMAN: So they had the ability for overwatch?

SIR DAVID PEPPER: Yes.

SIR LAWRENCE FREEDMAN: I think that's probably a good time to break.

SIR JOHN CHILCOT: Let's break for ten minutes and have a cup of tea.

SIR DAVID PEPPER: Sure.

(A short break)

SIR JOHN CHILCOT: Let's reopen the session. Back to Sir Lawrence Freedman. Lawry.

SIR LAWRENCE FREEDMAN: Thank you very much. We now want to look at your relations with SIS and the other -- with the military.

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Is that your understanding as well? Why was it and what were you able to do to meet their requirement?

SIR DAVID PEPPER: I'm not sure I recognise a statement as stark as that, but what is certainly true is that we had over the early months of events of Iraq to learn how to serve in an entirely new way, and I think there were a number of components to that.

The first, which I alluded to earlier gently, was -- this isn't a criticism of anybody -- you can only provide the sort of support that they want if there is the sort of relationship that will support that support. So they need to tell the Sigint analysts exactly what they are doing and exactly why they want the information so the Sigint analysts can give them what they need.

It very often came down to personal trust. If we had someone who got to know his opposite number in the unit, got to trust him, information would flow. Then personalities change and you have to start all over again. So there is certainly an issue of personal trust involved in that. You obviously don't want it just to be an issue of personal trust. You want it to be down to an organisational relationship and a matter of proper process, and we gradually built that up.

Our people also had to learn how to produce the intelligence at the speed at which needed it. That's

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a case of analytical techniques and operational methods. You have to put in place the communications to get it to them as quickly as they need it. That might or might not exist.

So there is a whole -- there are several components to this, and on the one hand I don't find -- on the one hand, I don't find the stark statement you have just made -- that seems to me as though it probably has a personality thing in it.

SIR LAWRENCE FREEDMAN: Yes.

SIR DAVID PEPPER: On the other hand, it is undoubtedly true that it took us a while to get to the level that they really wanted it. Certainly by the time I went out there in 2005 the [redacted] were enormously enthusiastic about the support we were giving them.

[redacted]

SIR LAWRENCE FREEDMAN: [redacted].

SIR DAVID PEPPER: [redacted].

SIR LAWRENCE FREEDMAN: I mean, did you see a comparison with how NSA were working with the --

SIR DAVID PEPPER: I am not in a position to make a direct connection really. The American systems for support, direct support, are quite different, because [redacted]

[redacted]. So it is quite hard to compare.

SIR LAWRENCE FREEDMAN: [redacted] --

SIR DAVID PEPPER: [redacted].

SIR LAWRENCE FREEDMAN: [redacted]?

SIR DAVID PEPPER: [redacted]

SIR JOHN CHILCOT: Just as a postscript, is the Chairman of the Joint Chiefs in the American system actually in the chain of command over the head of NSA? He is usually a fully ranked three or four star ...

SIR DAVID PEPPER: He must report to the Joint Chiefs. He must do. He is a three star. He has just been promoted to four star on the basis of his extra cyber command. He is in the line of command, yes, absolutely.

SIR JOHN CHILCOT: Which is a hugely different relationship when it comes even to tactical level relationships in the field.

SIR DAVID PEPPER: Yes.

SIR LAWRENCE FREEDMAN: I mean, do you think any of the things we have been just been talking about would have been affected by an issue we have come to a lot of times, which is the turnover of senior British officers?

SIR DAVID PEPPER: Yes, in the sense that officers -- generalist officers who come into a J2 post, shall we say, might spend two years there and then move on. You know, they may or may not come back to J2 again, and if they are only there for two years, they will spend quite a lot of those two years learning the basics of intelligence. That's certainly something we have found not just in Iraq but regularly as part of the way our relationship -- you know, we are used to having to deal with people who know very little about intelligence and working very hard to educate them. You know, that usually works very well. It just seems completely different in the US system.

SIR LAWRENCE FREEDMAN: I'll just pursue this, because it is quite an interesting area.

I mean, do you think there are potential ways, for example, Shrivenham, say, where as part of officer education there could be a greater stress on intelligence work?

SIR DAVID PEPPER: They are doing a lot more. Certainly the Higher Command Staff course now comes every year to GCHQ and we do a GCHQ day for them. So there is certainly much, much more

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exposure of intelligence matters to them than there used to be.

That I think, though, is only part of the story, because I don't think that sort of exposure is a substitute for actually doing an intelligence job, but I don't think it would be proper for me to say, "Of course, MOD should do X and Y", because you do have to think about the logistics, which does tie up with the size of your cadre and the size of your overall officer resource, how much time people can spend in that.

SIR LAWRENCE FREEDMAN: But it helps explain a difference between the American and British systems.

SIR DAVID PEPPER: Certainly.

SIR LAWRENCE FREEDMAN: SIS. [9] [redacted]

Now the implication of that is there was something to improve. So was the relationship with SIS before that unsatisfactory, the SIS was dissatisfied?

SIR DAVID PEPPER: I think what was happening was this. Certainly in the early stages there were -- the SIS people and the GCHQ people had a different focus, because we were concentrating on different things, and we were concentrating on different things essentially because our capabilities had different strengths.

So the GCHQ focus, certainly the people who I think were being alluded to in that quotation, was very much on [redacted], because that's where GCHQ would really make the difference, and that as where the very active demand was coming from, whereas the SIS people I think were looking at [redacted] and I think the problem

[9] Sir Lawrence referred to evidence that indicated that SIS' relationship with GCHQ had greatly improved in the previous year.

was they wanted support from GCHQ to enable them to do better in their [redacted] work, and the GCHQ people were focused elsewhere, and I think that was probably producing a tension.

I think that was effectively resolved by [redacted] so we finished up with people who were devoted to providing support to SIS. That was the answer to that.

SIR LAWRENCE FREEDMAN: [redacted].

SIR DAVID PEPPER: [redacted].

SIR LAWRENCE FREEDMAN: [redacted]?

SIR DAVID PEPPER: [redacted]

[redacted]

SIR LAWRENCE FREEDMAN: [redacted]?

SIR DAVID PEPPER: [redacted].

SIR LAWRENCE FREEDMAN: Okay. Thank you.

SIR JOHN CHILCOT: I would like to ask one or perhaps even two questions about the Butler Committee, having sat on it. The report was published in July 2004. It was fairly critical of the way SIS had validated particularly some of its sources. The Butler Committee made no recommendations specifically about GCHQ at all.

What I am wondering is whether as Director, on reading that report and its various recommendations addressed to others in the intelligence community, you saw anything relevant to the way you were transforming GCHQ and the way it was conducting its operations at the time?

SIR DAVID PEPPER: The most obvious direct action was in terms of the way reports were presented to customers to enable them to understand their provenance and reliability, and we very actively participated along with the other agencies, which really means SIS, in coming up with better ways of presenting to customers so that they knew what they were reading and how much they could rely on it, and we developed a formalised -- I think it was a joint structure actually for the sort of language you use just to explain what things are for. So that had -- there was a very direct relevance.

I think the more subliminal consequence was -- and I am not sure I can point to anything very explicit, but I am certain that the influence was there over those years following the Butler report as part of our transformation we rethought quite fundamentally the way we interacted with customers, the

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mechanisms we used to understand their requirements, the mechanisms we used to seek their feedback, and the whole Butler analysis I think lay as part of our mindset in the way we approached customers during that -- during that time.

So although you can't point to what happens now and say, "Ah, well, Butler recommended that", the philosophy I think behind the way we go about it reflected the lessons learned from Butler and the need to make sure the customers really understood what they were reading and what they could ask for and what they could rely on.

SIR JOHN CHILCOT: I mean, a key set of customers is Ministers --

SIR DAVID PEPPER: Yes.

SIR JOHN CHILCOT: -- whether they are old and long experienced in office or whether they are brand new on appointment.

A question that came up in 2004 for Butler and has come up since for us is whether it is sufficient to rely on Ministers picking up an understanding with their closest advisers, Private Secretaries, Permanent Secretaries, occasional meetings with Heads of Agencies. Is that a sufficient background to ensure they truly understood the limitations and uncertainties associated with either technical or human intelligence?

SIR DAVID PEPPER: It would be very hard to say "Yes" in answer to that question. I don't think it can be. A lot of the time it is fine, but when the going gets tough, you will need them to understand rather more. I am sure of that.

Certainly I always saw it as my duty, and I am sure my predecessors did, to make sure the Foreign Secretary understood, and, you know, access was good enough and frequent enough that you can do that, but in crises there is a wider set of Ministers, and I certainly had no route to make sure that a wider set of Ministers really understood, and yet, you know, I have to agree

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with the premise behind your proposition that you would want them to.

SIR JOHN CHILCOT: Would the best witness on that topic be a Cabinet Secretary at any given moment?

SIR DAVID PEPPER: Witness in terms of how much they understand?

SIR JOHN CHILCOT: Yes, and how best to secure their understanding rather than the individual heads of agencies or a JIC Chairman?

SIR DAVID PEPPER: Well, the reason I hesitate is I have to ask myself how much your normal Cabinet Secretary will understand, and given there is now normally somebody between the Cabinet Secretary and the Agency Heads, I think it is unlikely that a Cabinet Secretary will have that degree of understanding.

This is not a criticism of Gus O'Donnell, but I am absolutely sure Gus has very little detailed understanding of what was going on in the intelligence world, because he has plenty of other things to do. He would have relied upon David Omand for most of the time for that. Now I would imagine he relies on Peter Ricketts.

So that's the point to which I would go. The problem is how on earth you capture Ministers' attention for the amount of time it would take in order to give them the education I think they need.

SIR JOHN CHILCOT: Thank you.

SIR DAVID PEPPER: But that's an obvious statement.

SIR JOHN CHILCOT: That's as far as I think it is possible to take that particular topic.

Just two other things then. One is the JIC decided to look back at its pre-conflict assessments and WMDs specifically.

Was this unusual from your recollection and experience as

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a move to do a formalised post-event reassessment?

SIR DAVID PEPPER: I hadn't been a member of the JIC for very long, of course, so I don't have very much experience to look back on, but as far as I know it was a first -- at least a first -- well -- but -- there have been other -- there have been other occasions in the past when the JIC has looked back on things. [redacted] How often it happened? Pretty rarely I think.

SIR LAWRENCE FREEDMAN: That was the one that came back just before -- on surprise attacks just before we were invaded in the Falklands.

SIR DAVID PEPPER: Yes.

SIR JOHN CHILCOT: Was it a satisfactory exercise in terms of reassessment, lessons learned?

SIR DAVID PEPPER: I am trying to remember now how I felt about it at the time.

SIR JOHN CHILCOT: Or was it precluded by the march of events?

SIR DAVID PEPPER: Well, I think my sense was it was starting to feel a bit passé, to be honest, because I think we had had Butler in that -- I can't remember the timing of it, but I think it was post-Butler.

SIR JOHN CHILCOT: Yes.

SIR DAVID PEPPER: It is starting to feel a long time ago, which is not to say it wasn't a good thing to do, because it came at it from a JIC point of view, but how much difference it really made at that stage I don't know.

SIR JOHN CHILCOT: I would like to pursue the issues of how --

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SIR DAVID PEPPER: The JIC did - the JIC did go on, as I am sure you know, more regularly to look back at assessments it had made over the previous year. I don't know -- I can't remember now whether that then became a annual event, but certainly there was at least one -- I can remember one or two assessments in which -- the JIC looked back over all the assessments it had made over the past twelve months and said, "How many of these have turned out to be right?"

SIR JOHN CHILCOT: Yes. I'd like to get back into lessons learned for GCHQ in a moment, but one other aspect of Butler is the issue of publication of intelligence material in whatever form, for public education, persuasion, whatever it may be.

Do you have views yourself in the light of all those events as to whether there should be a retreat behind the screen or whether authenticated, intelligence-based material should be supplied by government occasionally on major strategic questions?

SIR DAVID PEPPER: Gosh! On the one hard ... on the other ...

SIR JOHN CHILCOT: Yes.

SIR DAVID PEPPER: On the one hand, as a intelligence professional I would rather it didn't happen, but I can see why there might be circumstances in which there is overwhelming pressure to do something.

My nervousness I think is two-fold. The first is it may often be the case that there will be intelligence which is critical to the conclusions you want to advertise that you really, really can't find a way to put into the public domain without doing damage, and then you have a horrible dilemma, but the second, which I think applies to everything, even if that doesn't arise, is the one that the Butler report drew attention to, which I can't get away from, which is how on earth do you present -- it is the problem of presenting the conclusions with

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all the caveats.

We are all used to reading intelligence assessments and we immediately interpret the caveats and the coded words and say, "Believe this -- and believe that at your peril".

How you write that -- firstly, how you write that into the public domain is a challenge, and even if you get it right, what then happens is the newspapers pick and choose and put the words they want in there and you have lost all that subtlety anyway. So it feels to me like an exercise which is almost invariably going to be doomed, or doomed to suffer some of the problems we suffered from with Iraq. So I suspect I would always -- I would always prefer to vote against doing it. It's quite hard -- I find it quite hard to see a really satisfactory outcome from ever doing it.

SIR JOHN CHILCOT: I have a second question on the same point, which is, allowing for all the difficulties regarding broad publication, Parliament nonetheless has a role, not quite yet a fully constitutional one, on decisions of war and peace, but probably soon to be at some point.

How is it possible to ensure Parliament is sufficiently informed to take an informed judgment? Is the mechanism of an ISC or is there some other mechanism that could be devised without breaching obvious constraints?

SIR DAVID PEPPER: I find it quite hard to imagine Parliament taking a vote when it has to rely entirely upon the ISC to say to it, "You are not going to see all the intelligence, but trust us. We have seen it. It is all fine". That just isn’t going to happen, is it?

At least if you are dealing with an official government presentation of evidence to Parliament, you have eliminated one of the problems that I identified a moment ago. You are not

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dependent just on the press to present your case for you. You can actually make sure you have laid before Parliament precisely what you want to say.

I suppose the hard question is: can you imagine actually going to war on the basis of intelligence which is so sensitive that, you know, only ten people are allowed to know it? Well, not really I think. So it's probably a problem which is more theoretical than real.

SIR JOHN CHILCOT: Thank you. Right. Well, let's come on to some lessons learned.

First of all, I think you have answered it already, but looking at the whole of the Iraq experience from 2001 to 2008 for GCHQ, some successes, some failings, drawbacks. You have told us about them, but was there any occasion or any set of occasions when in military terms GCHQ was able to deliver strategic effect in the Iraq theatre?

SIR DAVID PEPPER: Gosh!

SIR JOHN CHILCOT: [redacted]?

SIR DAVID PEPPER: [redacted].[10]

SIR JOHN CHILCOT: [redacted].

SIR DAVID PEPPER: [redacted]

[10] The witness explained that, in his view, UK and US Sigint reporting did, collectively, provide significant strategic effect.

[redacted].

SIR JOHN CHILCOT: Yes. Right. Can we turn to process aspects of lessons? Clearly there were lessons being learned all the time. GCHQ was adapting and responding with experience.

Did you, did GCHQ as an institution, feel the need for formal lessons learned processes? I mean, the military have very disciplined processes. How far they are effective is a different question. In the GCHQ culture and setting is that the kind of thing you did or wanted to do?

SIR DAVID PEPPER: We do sometimes. We did a lessons learned exercise immediately after the invasion, but by the time -- I say immediately, but by the time that was done I think we were already realising that it was no more than a way point in the middle of a long journey, and beyond that -- well, they may have done it since I left, but there was no point at which we would have said, "We've finished. Let's look back".

SIR JOHN CHILCOT: Is this because GCHQ is -- I think I have heard it well said it is by its nature a learning and questioning organisation.

SIR DAVID PEPPER: I would like to think that's the answer. There is --

SIR JOHN CHILCOT: Because of the kind of people who work there.

SIR DAVID PEPPER: Yes. There is essentially a continuous process going on of analysing and learning. I mean, certainly you can look at quite a lot of processes and see how they were

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continually developing in the light of experience, and a number of those are alluded to in the narrative I think. One can look back and see how they matured steadily, but not only in the light of Iraq.

Take for example -- if I give you one example, we alluded to the thing we call the event management process, which was already in existence and had for a while been the way in which we managed activities that spanned quite a lot of the organisation, and could be used for very narrow events or for quite wide ones.

That process became vital to the way we managed Iraq and Afghanistan and we developed it all the time. It also became vital to the way we managed the floods in 2007. You know, we ran that as an event. I can remember the Sunday afternoon event management meeting, where we sat looking at each other saying, "What the heck are we going to do?"

At the end of that we said, "That was jolly good", you know. "Now what lessons have we learned?" So it has tended to be done on a continuous basis, you know. We learn things about doing event management from doing that, which are then relevant to how you do Iraq and how you do Afghanistan. So I think we are a continuously learning organisation rather than one that goes in for very big bangs.

I think one of my observations would be if you write a big lessons learned report, you will probably come back to it three years later and wonder if anybody has ever read it.

SIR JOHN CHILCOT: That's a very pointed answer. You referred earlier en passant to the exploitation --

SIR DAVID PEPPER: Sorry. That's a very personal view.

SIR JOHN CHILCOT: -- of the potential of your new building --

SIR DAVID PEPPER: Yes.

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SIR JOHN CHILCOT: -- as it then was.

SIR DAVID PEPPER: Yes, yes.

SIR JOHN CHILCOT: Could you say a little bit more about that?

SIR DAVID PEPPER: Surely. When we started -- well, in 2003 it became apparent by the end of 2003 I think that we had at least two major pieces of activity going on relevant to Iraq.

One was the Iraq team, who were doing military things, but a lot of the counter-insurgency was being done by the counter-terrorist team, because they are the people who had the expertise on doing that sort of activity, and anyway it was potentially relevant to terrorism elsewhere in the world.

I think it became clear around the turn of 2003/2004 that that was not really the ideal way to be doing it, but in the accommodation that we had at that point there was no way we could co-locate people.

When those teams moved into the new building around Easter 2004, they moved into the same space. So we were able to use the potential of the new building to achieve that degree of co-location, which was absolutely one of the design features of the building right from the start, that you could do that and you could do it flexibly. So at that stage we could move all the Iraqi people together. [redacted]

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SIR JOHN CHILCOT: Yes. Thank you. Almost my last question I think. It's a double header.

You have touched already on the issue of dissemination and sharing of highly sensitive intelligence between different secret services, be it military, political, whatever. On the whole I think I have the sense from what you say that this is something that is, first of all, answered by personal relationships, but then can be codified or at any rate understandings can be reached which outlast individuals.

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SIR DAVID PEPPER: .

SIR JOHN CHILCOT: .

SIR DAVID PEPPER:

SIR JOHN CHILCOT: [redacted]?

SIR DAVID PEPPER: [redacted] --

SIR JOHN CHILCOT: [redacted].

SIR DAVID PEPPER: -- [redacted].

SIR JOHN CHILCOT: [redacted]?

SIR DAVID PEPPER: [redacted].

SIR JOHN CHILCOT: [redacted].

SIR DAVID PEPPER: [redacted]

I'm not sure.

SIR JOHN CHILCOT: Thank you. I would like to turn to Baroness Prashar now for the JIC perspective.

BARONESS USHA PRASHAR: Thank you. I just move on to your role as a member of JIC. I think what I would like is your

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perspectives as to what did you see as JIC's role in relation to Iraq during this time and was it looking at the right things?

SIR DAVID PEPPER: Well, its role I think was the same as its role in respect of anything else, which was to produce the best all source, all agency assessment for Ministers and senior leaders that could be done.

BARONESS USHA PRASHAR: Was it looking at the right things at that time?

SIR DAVID PEPPER: Well, I certainly don't remember ever feeling that it wasn't looking at the right things. That's a sort of double negative answer to your question, but I can't recall ever feeling we were doing the wrong stuff here, because the JIC would regularly debate, "What should we be looking at over the next ...?" -- there was a standard process in the JIC of looking, you know, a year ahead, six months ahead, three months ahead and reviewing that at regular intervals. That process happened regularly and the plan of assessments would be regularly trimmed.

BARONESS USHA PRASHAR: Again from your point of view do you think it was giving a useable and timely assessment and advice to policymakers?

SIR DAVID PEPPER: Well, we always tried to make it useful and timely. I mean, the JIC isn't the vehicle for very urgent assessments. You know, there are other mechanisms run by the Assessments Staff for doing that. They work perfectly well.

Both successive committee members and successive committee chairmen always worked very hard to make sure that the assessment was indeed -- was indeed usable. You know, drafts were redrafted and crafted and recrafted and torn to pieces every time to make sure that they actually said what they needed to say in a way that would be comprehensible, and I think both Chairman and

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members were increasingly tough on language that tried to sit on the fence. I think we became fairly good at making sure we hadn't sat on the fence.

BARONESS USHA PRASHAR: Can you just give me two examples, because if you look at specifically things as evolved in Iraq, when did it become clear to the coalition it was facing insurgency in Iraq rather than sort of random criminal violence in terms of were you picking that up?

SIR DAVID PEPPER: I am sure, but I really can't remember the dates, I am afraid. I haven't been back over old assessments. During the course of -- during the course of 2003 into 2004 I suppose, but ...

BARONESS USHA PRASHAR: It is not so much the timing. What I am really trying to identify is, you know, as things were evolving, was JIC on top of the information? Were you -- did you have the intelligence that you needed to know --

SIR DAVID PEPPER: Oh, I see.

BARONESS USHA PRASHAR: -- what was happening on the ground?

SIR DAVID PEPPER: Yes, as far as I remember. Yes. I don't recall ever feeling, "Gosh! Why weren't we told about this?" or -- because the -- the people who sit on the JIC have got -- as it were, got other lives, and you are not only reliant upon what you see in front of you at the JIC table. You know, you know from your other dealings in doing the rest of your job in broad terms what's going on. So I don't remember ever reading a JIC report and thinking, "Gosh! I had no idea we were in that situation". You know, you are plugged into what else is happening. So I don't -- I have not seen a problem.

BARONESS USHA PRASHAR: Did Iran feature? What was the role of Iran that was seen? What role were they playing in Iraq between

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2003 and 2008 when you were there? What sort of information did you gain about that?

SIR DAVID PEPPER: [redacted]

BARONESS USHA PRASHAR: [redacted]?

SIR DAVID PEPPER: [redacted].

BARONESS USHA PRASHAR: [redacted]?

SIR DAVID PEPPER: [redacted].

BARONESS USHA PRASHAR: Okay. We have talked earlier about the Ministers and how they were made aware of intelligence, but can you say whether the intelligence was properly taken into account

in policy decisions by Ministers?

SIR DAVID PEPPER: Again I have no reason to say not. I mean, if you take the decision to go into Iraq in the first place, there was clearly intelligence there that was relevant, for example, to the implications for terrorism in the UK. There were very clearly JIC reports assessing that.

Tony Blair has said he was aware of them and took that into account as part of his decision-making, and that's I think all one can ask, that it was taken -- intelligence people -- you know, we never seek to say, "Here is the intelligence. Therefore you must do X". It is, "Here is the intelligence. You must take it into account in your decision".

I cannot recall circumstances -- and I mean I can't recall, not that there weren't any; I can't recall -- in which I or we said, "Why did they do that, because we told them X?" and they didn't appear to have taken any notice of it. I don't recall that being a problem.

BARONESS USHA PRASHAR: As a member of JIC, I mean, who was responsible for actually briefing? Would it have been David Omand?

SIR DAVID PEPPER: Briefing the Prime Minister or Ministers generally?

BARONESS USHA PRASHAR: Generally.

SIR DAVID PEPPER: Generally speaking, it would be individual departments who would brief their Ministers, and I can remember discussions around the JIC table of, "Are we all clear that the responsibility of individual departmental members of the JIC is to make sure that assessments are taken back and fed into their departmental mechanisms for the benefits of who they are aimed at?"

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I mean, a lot of JIC doesn't need to go to Ministers, but it was very -- you know, we certainly had explicit discussions about making -- ensuring or at least confirming that members understood that their role was to make sure that the intelligence was fed back into the system for Ministers, if need be.

BARONESS USHA PRASHAR: So that is something you did individually?

SIR DAVID PEPPER: Not me, because, you know, I wasn't -- I was an Agency Head rather than a departmental one --

BARONESS USHA PRASHAR: Of course, of course.

SIR DAVID PEPPER: -- but individual --

BARONESS USHA PRASHAR: Departmental.

SIR DAVID PEPPER: -- department heads always said, "Yes, we do that. That's our job. We do it. We will make sure it happens".

BARONESS USHA PRASHAR: Thank you.

SIR JOHN CHILCOT: Tony Blair, when we asked him whether the whole adventure was worthwhile, said he would like to offer the 2010 answer to that question.

So I am going to try the same one, if I may, and ask you whether your 2010 or 2011 view about the JIC itself, its role, its work, its contribution, is it more or less or just as important as it was in 2002/2003 or has the world changed around it?

SIR DAVID PEPPER: I think the JIC is a hugely valuable institution. I don't see it as either more or less valuable now than it was seven or eight years ago. I think the need for it is every bit as great. I am not saying it is perfect in the way it operates. We could argue about we could do things better and so on. If I say, "Would we be better without a JIC?", I couldn't

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possibly sustain that kind of argument.

SIR JOHN CHILCOT: Or a downgraded role for intelligence in the whole field of strategic policy making?

SIR DAVID PEPPER: I am not going to argue for that certainly.

SIR JOHN CHILCOT: Thank you. I think with that we will turn to our last set of questions and Sir Lawrence. Lawry.

SIR LAWRENCE FREEDMAN: You had a very interesting vantage point on the British policy over this period, 2001-2008. When it starts, there are certain expectations and hopes maybe about where it is going to lead at the end. Many of those hopes haven't been realised.

I was just wondering if -- how the shift in objectives affected the work of GCHQ, but also just from your vantage point as Director of GCHQ how you viewed the process about how well it was working, how well the government machine operated over this period?

SIR DAVID PEPPER: To take the first question, it affected GCHQ in the sense that GCHQ always does its best to respond to changes of intelligence requirements, and if policy and strategy changes, then intelligence requirement probably changes.

So our concern has always been to make sure that we are plugged well enough into thinking to make sure we understand the changes and therefore respond to them and preferably prepare for them. So we take changes of policy and strategy just as part of the fabric of life, and that's what intelligence agencies I think are supposed to do.

SIR LAWRENCE FREEDMAN: I mean, just on that, in this case around 2004 you might, for example, have been saying, "This is going to get a lot more difficult and take a lot longer and we should prepare for that", even though the government may not have made

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up its own mind on that. Is that what you did?

SIR DAVID PEPPER: No, I don't think we did. I think we were probably fairly uneasily, but I am not -- I certainly don't recall saying, "Never mind what the government says. We have to go in for the longer run here". You know, maybe with hindsight we should have done. I don't think we were going our own way in that sense. I can't now recover the sequence of activities. I can imagine us saying -- no, I am not going down that path. I am sorry. No point in trying to speculate.

I am sorry. I have forgotten the second half of your question.

SIR LAWRENCE FREEDMAN: Well, it is basically how you viewed the process of policy making in general from your vantage point over the period?

SIR DAVID PEPPER: I mean, the problem -- you can ask: what was UK strategy? The problem was we were only ever a small part of the picture. Well, I mean, two problems.

One is we could have had something we called a UK strategy, but actually it is really only a component of a much bigger strategy, which is going to be US-led and US-dominated. So your freedom of action is fairly restricted.

The other is it seems to me we were always in catch-up mode, because we were always dealing with the consequences of the original failure or refusal to plan for Phase IV, I am not equipped to give you a detailed answer, but I am sure that, had the coalition been prepared for Phase IV in a way the system refused to do, what happened would have happened differently. We were always then in catch-up mode.

I think that meant -- those two sets of circumstances make it very difficult to have something that really amounts to UK policy and UK strategy. All you can do is do the best to do your part

of the action as well as you can. It seems to me that's what we were always doing.

SIR LAWRENCE FREEDMAN: So in a sense it was this problem of a false start --

SIR DAVID PEPPER: Yes.

SIR LAWRENCE FREEDMAN: -- getting us into difficulties that we were always trying to --

SIR DAVID PEPPER: Get out of.

SIR LAWRENCE FREEDMAN: -- get out of?

SIR DAVID PEPPER: Yes, absolutely.

SIR LAWRENCE FREEDMAN: Just finally from me -- others may have other questions -- just are there other reflections that you'd like to share with us about the issues that you are aware of relevant to the Inquiry, perhaps concluding on the general role of intelligence?

SIR DAVID PEPPER: I am just going back to the various things I have scribbled down. I don't -- I don't think so particularly. I mean, you know, Iraq was a huge learning experience for GCHQ. We were doing all sorts of things that we hadn't done before in ways that we hadn't done before. We built relationships we didn't have before.

We put -- I mean, one of the big areas -- and we have not touched on this, and it may not worry you very much -- one of the big issues for us I think was our people, because one of the things we had to do was put far more people in harm's way than we have ever done before, far more.

We finished up in -- some time in 2004 I think we adopted an entirely new approach to the way we did that, and rather than just sort of putting volunteers in or anybody who volunteered,

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you know, we built a much more structured process for selecting, preparing, training, managing as a career cadre the people who were doing that. [11]

That has had quite a profound impact I think on the organisation, because there is now quite a number of people who have had a lot of exposure to an environment which really isn't why they joined the Civil Service. You know, you don't generally join the Civil Service to go and be shot at in Basra. Yet people did it very willingly. One thing I was very proud of in the organisation actually was the fact that there was this long queue of people wanting to go and be shot at, if you see what I mean.

SIR LAWRENCE FREEDMAN: Not as such.

SIR DAVID PEPPER: Not as such. Actually, you know, for the good of the country and for the good of the organisation willing to put themselves in harm's way for what they believed.

I think that has had quite a profound impact on the psyche of the organisation and a very positive one actually. I mean, it has genuinely produced I think a real sense of mission focus within the organisation, if I can use a military term -- that's one of the things I take from the experience -- which we would not have predicted I think in 2003/2004, but it was an example I think of how we discovered a problem and reacted to it in a way which not only solved the problem, but had wider beneficial effects upon the organisation. It is quite a different organisation I think in many ways from where we were five years

[11] Witness clarification: From 2004 the growing UK footprint in Iraq led to an increased demand for deployed liaison officers and to a change in the nature of the support required for these roles. It became clear that this could not be addressed in a sustainable way using the existing recruitment model. In response, GCHQ put in place a completely revised process to enable wider, systematic recruitment, evaluation and final selection of volunteers for deployment; created a specific structured training package for those deploying to ensure they were adequately and appropriately prepared and skilled to provide the required support; and scaled up the support infrastructure both in theatre and in Cheltenham to reflect this increase in deployed personnel and changing customer requirements.

ago. It is different for all sorts of reasons, but I think that's one important factor.

SIR LAWRENCE FREEDMAN: Just one follow-up on that. When we were working out how to manage this problem, which obviously a number of parts of government also had to manage, where did you take your cues? Were you looking at sort of the way the military handled these things, or the Foreign Office, DFID in terms of sort of duty of care and so on?

SIR DAVID PEPPER: I think we looked at -- I mean, we looked at all of them. I think MOD was the main focus, but we also -- we did learn things from SIS. [redacted] for example.

So I think we looked around and tried to draw the best -- this was a time when all departments were going through the sort of duty of care dilemma. It turned out everybody had a different policy. So, you know, we were part of that, but I think -- I don't know whether we finally finished up absolutely in line with everybody else, but there was a stage where you really couldn't afford to wait for everybody else. You had to do what you thought was best for yourself.

SIR LAWRENCE FREEDMAN: You were comfortable with where you ended up?

SIR DAVID PEPPER: Well, comfortable sounds -- I think would be too complacent. I notice even going back to my 2007 post-trip report I was saying, "There are still a number of minor issues that we need to attend to. None of them are sort of earth-shattering, but there are still things that we have not quite got right. We need to keep on them".

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[redacted] I don't think it is something you ever say, "We are there. It is all finished".

SIR LAWRENCE FREEDMAN: Thank you very much.

SIR JOHN CHILCOT: Unless any of my colleagues have a particular question -- I think not -- I just have one last one, Sir David, which is -- it is partly repetitive. It is about both GCHQ and the JIC.

You spoke earlier about the transformation of GCHQ. We have heard, read, seen a great deal of what the JIC has been doing over the last decade and more.

Given the transformation of the world from the Cold War to what we now face or face in the future -- global terrorism, geopolitical change, all of that -- it is not a question of how successful the British intelligence community has been in adapting, but rather whether the potential uses of and need for secret intelligence, including but not confined to Sigint, are as great or even greater than they were in a previous era.

Is it possible to reach a judgment about that, that things we need to know we can only find through the use of secret intelligence?

SIR DAVID PEPPER: Take that statement. I am absolutely clear that that's the case. If you take terrorism as the clear example, it's absolutely clear that the only way we can fight al-Qaeda is -- you cannot fight al-Qaeda without secret intelligence.

The terrorist threat in its widest sense, I hesitate to make Cold War analogies, but it has some of the same features, and it seems to me that you have to have -- it would be shirking our duty as a government not to have a capability to do secret intelligence on the right scale against that sort of threat to

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the fabric of society.

SIR JOHN CHILCOT: Given that, is it no less essential to have a cross-agency, cross-departmental mechanism, be it the JIC, and what underpins the JIC, to assess what's coming in from all the collection and much of the analysis?

SIR DAVID PEPPER: I think you need two things. I think you need collaboration between the agencies at an operational level of a sort that is different from anything we had in the past, and I have said in other contexts on and off the record I think that the way the UK agencies have improved their collaboration is absolutely fundamentally important, but also I don't know another country where it is as good, and I think without that we would undoubtedly not be as well placed as we are to do the counter-terrorist job.

Then in addition to that I think you also do have to have the cross-departmental ability to produce genuine single assessments, because what is the alternative? That Ministers get three different answers and have to decide which one they like best? It is hard to see that as an improvement.

SIR JOHN CHILCOT: To absolutely conclude and finally on this point, you mentioned right at the beginning of this section the role of the JIC in managing the intelligence community.

Is that as important as it ever was or more, because of what you have just said?

SIR DAVID PEPPER: I draw two distinctions. You have to have a mechanism for managing the community. Is that mechanism -- clearly the question is: is that mechanism the JIC? I think not necessarily. I mean, there are a lot of aspects of managing the community that the JIC doesn't go anywhere near. So, for example, the budgetary process.

The procedures that David Omand put in place when he became

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intelligence coordinator to bring together what would otherwise have been three separate bids for how much money we need to do what on counter-terrorism, bringing that together into a single, strategically coordinated bid, you know, was a huge improvement.

Sticking with counter-terrorism, the ability to look across the agencies and decide in a rational way what the right balance of investment is and, if necessary, to bang heads together and say, you know, "We are not getting the right bang for our buck, because you are not collaborating as well", that seems to me to be -- because I said a few moments ago you have to have the collaboration, I think it follows from that you have to have a mechanism to support the collaboration -- if necessary enforce it, but certainly to support it.

SIR JOHN CHILCOT: Thank you very much. This has been a useful and informative session. Are there any final, final reflections that you wanted to offer that we have not raised this afternoon?

SIR DAVID PEPPER: No, I don't think so.

SIR JOHN CHILCOT: In that case many thanks again. I remind you that the transcript will be available to your convenience preferably as soon as possible.

SIR DAVID PEPPER: Thank you very much. I will do it as soon as possible.

SIR JOHN CHILCOT: Thank you. With that I will close thessession.

SIR DAVID PEPPER: Thank you.

(Hearing concluded)

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