GSA

ADMINISTRATION

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

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July 11, 1969

Mr. Carl Duckett
Deputy Director (Science & Technology)
Room 6E60

Dear Carl:

Attached is my interim report to Mel and Dave on Defense intelligence.

Hopefully, I have addressed all of the major issues --and in a manner which is satisfactory to you. On the small chance that there is some disagreement, give me a call and I'll be very happy to discuss the report with you.

If I don't hear from you by July 21, I'll assume agreement or disinterest. I'll accept either, and assume the former.

Sincerely,

Robert F. Froehlke

Attachment

11 July 1969

Tentative Report on Defense Intelligence

Introduction

A number of weeks ago I was appointed focal point for the defense intelligence community. In addition I was assigned to make a study of the community and present to the Secretary and Deputy Secretary of Defense my recommendations to improve defense intelligence.

It was my feeling that it would be unwise to insinuate myself into the defense intelligence community as a "focal point" for a short interim period. As a result, I have done very little in the capacity of a focal point. Instead all of my time on this assignment has been spent on the study.

My effort has extended over approximately a 60 day period. In that time I have reviewed many studies and reports that have accumulated over the years. More importantly, I have visited all agencies and have talked to most of the leaders active in the intelligence community. As a result of my efforts I feel that I have a reasonably good understanding of the intelligence community as it now exists, its problems and possible solutions. (I was surprised to find that there was a reasonable consensus as to the problem areas and their solutions.)

Today Mel Laird and Dave Packard will receive a copy of this tentative report. I am also sending a copy to all agencies visited and to individuals with whom I talked. I am asking these people to react to my recommendations. If I do not hear from them within ten days, I am assuming general agreement.

Those who receive a copy of this report and who disagree in whole or in part, should get in touch with me. I will sit down with those in disagreement and either change my report in line with their thinking or explain to them why I cannot do so. In the latter case, they certainly are free to contact Mel and Dave directly. I will not discuss this report with Mel and Dave prior to 22 July.

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History

As a result of my investigation I have concluded that the primary need in the defense intelligence community is for a special assistant for intelligence reporting to the Secretary/Deputy Secretary of Defense. He would be primarily responsible for the development and supervision of an all-encompassing review and decision-making process for the management of intelligence. This need has been recognized by many over the years.

A limited focal point was established as early as 1953, when the Secretary of Defense established the position of Assistant to the Secretary of Defense (Special Operations). This Assistant recommended policies and provided guidance on planning and program development to DoD intelligence agencies and components, reviewed plans and programs, developed DoD positions on intelligence problems, and made recommendations to the Secretary on the actions necessary to provide for more efficient and economical operations. The position, however, was weakened by the lack of a charter to function as the focal point for DoD intelligence resource management.

In 1960, a Presidential Task Force, chaired by Lyman Kirkpatrick, was directed to study the organizational and management aspects of the intelligence community. The Task Force recommended the establishment of a focal point to exercise broad management review authority over military intelligence programs within the Office of the Secretary of Defense, and to provide overall coordination of all foreign intelligence activities conducted by various defense components. The solution was the Defense Intelligence Agency (DIA). The DoD press release of 2 August 1961, announcing the establishment of DIA, stated that a "more efficient allocation of critical intelligence resources, more effective management of all DoD intelligence activities, and the elimination of duplicating facilities and organizations" was expected. The position of Assistant for Special Operations was disestablished concurrently with the establishment of DIA.

Today, under the umbrella of the Consolidated Intelligence Program (CIP), the DIA "manages" only about 30% of the DoD resources devoted to satisfying both military and "national" intelligence requirements. The bulk of the resources are found in a number of other programs such as the Consolidated Cryptologic Program (CCP), or are treated outside any formal program.

The Secretary of Defense is faced with the problem that there is no review which compares the resources in one program targeted against a requirement with the resources committed against the same requirement in another program. Similarly, there is no arrangement for evaluating requirements in terms of objectives. In addition, this situation has been complicated by excessive classification and security compartmentation, which tend to isolate programs and thwart comparisons.

Objectives

Any organizational or personnel changes resulting from this report should be made to achieve the following objectives listed in priority. (You will notice that these objectives are primarily aimed at resource management and intelligence policies, and not management of intelligence operations of a day to day nature. This does not imply that the management of the intelligence community is flawless. On the contrary, there is substantial dissatisfaction with certain operations of defense intelligence. However, improved management can better result through improved personnel and policies rather than a new organization.) The objectives are:

Objective 1. To establish a review and decision-making process for intelligence resource allocation. By resource allocation I mean determining the level and mix of resources to be distributed among the components of the DoD as the basis for the DoD budget. There are inseparable reinforcing objectives which are essential elements of this overall Objective. These inherent objectives are: (1) To establish a single Consolidated Defense Intelligence Program (CDIP) as the framework within which DoD decision-makers can select the most efficient and effective systems for collecting, processing, producing, and disseminating intelligence; (2) to improve Defense intelligence resources allocation planning for the mid-range period by establishing a Five-Year Intelligence Plan updated annually; and (3) to focus attention on decisive points in this program by developing major issue studies on unresolved problems of intelligence resource allocation and management.

Existing DoD intelligence resource programs (CIP, CCP, and others) are institutionalized and not evaluated in relation to mutual target objectives or in terms of mission-oriented information needs. Thus, decisions made concerning resources in one functional intelligence activity -- collection, for example -- seldom take cognizance of their impact on the

other functional areas: processing, production and dissemination.

The DoD intelligence community at the present time does not know the minimum level of information that will satisfy a stated requirement. While there is no upper boundary on intelligence requirements, there is a limit on resources applied to collection. Therefore, resource limitations make it important to ascertain requirements as precisely as possible. We need to insure that all valid requirements are met to some minimum level, without going to higher levels on some requirements while ignoring other valid requirements. In other words, the risks involved in acceptance of reduced or alternate levels of efforts must be known.

The focus of intelligence planning and programming activities tends to be in the near term period (one or two years ahead). Long lead times for modern technical collection systems, automated processing systems and automated analytic and production aids create the need to develop a long term intelligence plan. Without such planning, intelligence decisions rely on short term considerations. Further, there is a tendency to develop options made available by rapidly expanding technology simply because they are available.

In the present programming process, recommendations reaching the Secretary and Deputy Secretary show fluctuations in manpower and money from previously approved levels but more significant issues do not tend to surface within DoD. Frequently, past decisions on elements or systems having high dollar value or significant ramifications in a functional area have been reached through the mechanism of ad hoc groups convened by the Secretary/Deputy Secretary of Defense to study each problem when it arises -- generally in a time frame which does not permit in-depth analysis.

Objective 2. To improve information flow and policy transmission on intelligence matters between the DoD and other government agencies concerned with intelligence resources by functioning as DoD focal point on intelligence matters.

Currently, below the Secretary/Deputy Secretary of Defense level, no single agency or individual has the authority to participate across the board in an effective dialogue at the highest levels with non-DoD agencies. Representation today is fragmented among a number of DoD intelligence officials none of whom possesses the necessary responsibility or breadth of knowledge about all DoD programs.

Objective 3. To obtain a more efficient distribution of the functional responsibilities of the DoD intelligence agencies and organizations through an evaluation of their organizational relationships, roles, and missions.

The U. S. Congress and other government agencies have been concerned that the military Services are performing functions specifically delegated to the DIA which, in turn, is performing operations which, in some instances, could be better undertaken by the military Services. Additionally, the relationship of the National Security Agency (NSA), to counterpart agencies in the military Services has been questioned. The institutional structure of the Defense intelligence community is the result of an evolutionary process which seldom addressed the interrelationships of the elements in the community as a whole.

Objective 4. To improve intelligence flow by a realistic reappraisal of security policies and procedures with a view toward relaxing standards which lead to unnecessary classification and over-compartmentation of intelligence information.

Dialogue between the participants in DoD intelligence programs is restricted to such a degree that at times those officials charged with reviewing existing programs are denied information essential to the formulation of recommendations for their particular programs.

Organization and Staffing

The primary organizational change I recommend is to name one individual to act as the Special Assistant to the Secretary/Deputy Secretary of Defense for defense intelligence and to provide him with

a minimum staff. The solution to our current problems in intelligence management will not be found in the panacea of mass reorganization.

Directors of all DoD intelligence agencies would report directly to this Special Assistant, except that the Director, DIA, would report through the JCS. The Special Assistant would be responsible for all DoD intelligence management. It should be stressed, however, that resource management has the top priority. It is not intended that the Special Assistant will become involved in the day to day operations of the various DoD intelligence agencies.

I recommend that the individual selected as the Special Assistant, as a management technique, informally create a DoD Intelligence Board. This Board should be made up of the Directors of the various DoD intelligence agencies, chaired by the Special Assistant. In a sense, therefore, the Special Assistant will primarily serve as the coordinator of the Board. Ideally that is all he would need to be.

Inasmuch as this is an imperfect world, there will be times when the Board will not reach a consensus. For that reason the Special Assistant must have the authority to not only coordinate but also direct.

The breadth of management possibilities for the Special Assistant ranges from a monitoring role to complete and close supervision of all DoD intelligence activities. There are, of course, intermediate possibilities between these two extremes. A series of alternatives are herein described which provide varying levels of capability to achieve the objectives outlined. Under any of these arrangements, however, the function of the Special Assistant would interface with operational aspects of intelligence conducted by the various DoD components. Existing channels of command and control would be used for direction of operational matters.

Staffing Alternatives

Three alternatives to provide staff support to the Special Assistant have been considered:

Alternative 1. Provide a nucleus of intelligence expertise for the Special Assistant, leaving currently assigned responsibilities of OSD elements essentially as they are now. It is estimated that it would require five professionals and two clerical spaces for this staff.

Alternative 2. Transfer professional positions and the necessary clerical support currently dealing with intelligence resource management from OSD offices to the office of the Special Assistant. The objective would be to consolidate a number of existing OSD intelligence management activities in one office. The transfer of positions might be accomplished as follows. (This does not necessarily mean incumbents would transfer with the position):

ASD (A)	3
DIA	5
DDR&E's Office of Special Intelligence	4
ASD (SA)	2
	14

Alternative 3. Enlarge the proposed intelligence staff to a level at which it would be capable of performing, on a totally centralized basis, the full range of intelligence resource management functions: development and ranking of requirments, mid-range planning, program and budget development, and review of intelligence issues. While a detailed analysis of personnel requirements has not been made, it is estimated that it would take about 150-200 professionals to accomplish these functions.

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In determining which staffing Alternative to recommend, I considered each in light of the objectives listed earlier:

Objective 1. (Establish a review and decision-making process for intelligence management.)

The Special Assistant and his staff would have to establish and conduct an objective-oriented Consolidated Defense Intelligence Program (CDIP) which would encompass all DoD managed intelligence resources (probably excluding tactical); establish a Five-Year Intelligence Plan to

improve intelligence resource allocation planning for the mid-range period; and formulate major issues of intelligence resources allocation and management.

Initially it will take a considerable number of man years to achieve this objective. I do not think the staff should be set up for the initial surge of personnel needs. This initial surge could be met on an ad hoc basis from within OSD.

This is the highest priority Objective. Presently it is not being met. Decision makers need a framework for selecting alternative options and corresponding levels of effort. Establishing a CDIP to provide this framework, and conducting an annual review has primary claim on manpower assigned to the Special Assistant. (The Directors of the DoD intelligence agencies will be directly responsible for the development of their respective programs.) If the Special Assistant is undermanned for the CDIP, work will have to be processed by cooperating agencies and departments with attendant loss of control.

The Five-Year Intelligence Plan will strive: (1) to permit resource allocation decisions to be made as early as possible, especially for long lead-time items; (2) to explore the adequacy of resources to meet future needs; (3) to present the costs and benefits of satisfying various levels of intelligence needs, and (4) to understand better the resource implications of satisfying various future requirements.

A major factor in the development of the Plan is the requirement to establish a continuing system for review of intelligence collection requirements against collection resources, taking into account costs and risks. No means exist at present for accomplishing this, since there is no measure of value for levels of information. No one knows how much information is essential and we have only sketchy estimates of what it costs to obtain the information. (This problem has been recognized for some time. DIA has an analysis underway which, hopefully, will structure a solution to this problem. Other efforts are under way to help solve this problem.)

The formulation of major issues is closely tied to the preceding objectives, and much of it can be accomplished in the process of gaining those objectives. Formulating major issues has never been attempted successfully in the DoD intelligence community. It is, however, necessary in order to determine the proper courses to follow.

This Objective could be accomplished by either of the three staffing Alternatives. However, if Alternative 1 (the minimum staff) were selected, the Special Assistant would operate principally as a monitor, with the major effort fragmented among DoD agencies.

Objective 2. (Improve intelligence communications between DoD and other agencies.)

It is envisioned that the Special Assistant would act as the DoD intelligence management contact with DCI, BOB, PFIAB and other non-DoD members of the intelligence community. One of the less obvious responsibilities would be to keep communication channels open at all times, unimpeded by a lack of rapport and understanding.

Any one of the three staffing Alternatives could satisfy this Objective.

Objective 3. (Evaluate the intelligence organizational relationship, roles and missions.)

It appears that this could best be accomplished by an Ad Hoc study group. (The Defense Blue Ribbon Panel appears to be a likely candidate). As a result, this could be accomplished under any of the Alternatives.

Objective 4. (Re-appraise security policies and eliminate unnecessary classification and over compartmentation in the intelligence field.

This Objective would necessitate a review of current security policies and procedures. It is a continuing effort because of the ever-present tendency to overclassify and overdo compartmentation.

There is a distinct feeling in the community that over-classification and over-compartmentation exists. It is a natural tendency and I observed evidence of it. If it is present in any significant degree, it certainly is bad because over-classification impedes the flow of information and over-compartmentation excludes agencies and individuals who may have a legitimate need for the information.

Both Alternatives 2 and 3 (the middle and maximum staffing Alternatives) could accomplish this Objective. Alternative 1 (the minimum staffing Alternative) could not accomplish it unless the function was farmed out to other OSD elements.

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Recommendation-Staff

The primary advantage of Alternative 1 (minimum staff) is that it requires a minimum number of people under the Special Assistant. Cosmetically, this is advantageous.

The primary disadvantage of Alternative 1 is that it would be impossible for the Special Assistant to achieve the stated Objectives without relying almost entirely on a number of other elements in DoD. This raises the distinct possibility of the Special Assistant having the image of responsibility but not the ability to carry it out.

Alternative 2 (the middle staff) has the advantage of providing sufficient staff to meet all of the objectives and establishing the Special Assistant as the intelligence manager for the Secretary and Deputy Secretary of Defense. All the staffing would be under the supervision of the Special Assistant and could be obtained from existing OSD billets. It also clearly reduces fragmentation of OSD responsibilities for intelligence.

The disadvantage, if it really is one, is that this level of staffing will not allow the Special Assistant to become involved in the day-to-day operations of the intelligence agencies. Another disadvantage, if it is one, is that the Special Assistant will spend a good deal of his personal time coordinating with DoD agencies and the rest of the intelligence community because staff will not be available.

Alternative 3 (maximum staff) has the advantage of being able to accomplish all objectives -- and then some. It not only allows the Special Assistant to be primarily responsible for intelligence management but involves him deeply in the day-to-day intelligence operations. The primary disadvantages of Alternative 3 are the cosmetic ones of added manpower and major reorganization. Both Congress and the existing intelligence agencies would react adversely to this.

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Alternative 3, because of the considerable additional manpower, doesn't make sense at this time. Alternative 1 would be an improvement over the present but the lack of sufficient staff supporting the Special Assistant would probably leave responsibility diffused.

I recommend Alternative 2. It is a happy compromise. It would accomplish the four stated objectives with a minimum of reorganization and without adding any personnel to the OSD staff.

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Location of the Special Assistant

The number of options available for the location of a Special Assistant for Intelligence narrows down to five:

Option 1. "Normalize" present intelligence resource management and allocation with a Five-Year Intelligence Plan, Development Concept Papers (DCP's) from the Director, Defense Research and Engineering, and Major Program Memoranda (MPM's) from the Assistant Secretary of Defense (Systems Analysis), with a minimum role being played by the Special Assistant.

Option 2. Assign to an existing Assistant Secretary of Defense the additional duty of Special Assistant for Intelligence.

Option 3. Establish the Special Assistant under the authority of the Joint Chiefs of Staff.

Option 4. Establish a Special Assistant to the Secretary of Defense (Intelligence) as a separate office directly subordinate to the Secretary.

Option 5. Establish an Assistant Secretary of Defense (Intelligence).

Analysis of the Options

Option 1 does not truly integrate the DoD intelligence effort, and it puts sizing and development of intelligence forces under officials who have an interest in intelligence products for use in developing weapons or in setting force levels. It has the effect of placing the intelligence management responsibilities in the hands of officials who are customers for various parts of the intelligence product. (This Option actually lends itself only to staffing Alternative 1).

Option 2 furnishes the Special Assistant with the prestige and authority, both inside DoD and with other government agencies, possessed by an Assistant Secretary of Defense. Further, the intelligence management function envisioned should not require the full time attention of an ASD. However, when required, the authority of his office as an ASD is available.

Option 3 -- The JCS is oriented primarily toward strategic planning and direction and to those activities of the military Services which support these functions. To charge them with the intelligence management role as envisioned herein would assign them a type of responsibility heretofore not possessed. Such an assignment would short-circuit those responsibilities for resource allocation and management charged to the Secretary of Defense and the Secretaries of the military departments. The JCS responsibility in intelligence management is more properly one of providing views based on the intelligence needs of the JCS and the combat forces.

Option 4 would probably accomplish the objectives but is handicapped by the lack of position and authority normally associated with an ASD, particularly in interagency activities and relationships. The Special Assistant in this Option is solely dependent on his relationship to the Secretary to accomplish the objectives. As a result, there is an aura of the "ad hoc" about a separate Special Assistant.

Option 5 would require redesignation of an existing ASD or Congressional action to add an ASD because of the statutory numerical limit of seven Assistant Secretaries. The magnitude of the intelligence function suggested in staff Alternatives 1 and 2, in terms of manning levels and percentage of the total DoD budget managed, is relatively small and therefor militates against Option 5.

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Recommendations

I eliminate location Options 1 (normalize present practice) and 3 (JCS) because it appears to me that either could result in the Special Assistant being unable to achieve the stated objectives.

I recommend Option 2 (assign to an existing ASD).

If there is some reason that Option 2 is not selected, I would recommend that Option 4 (Special Assistant) and finally Option 5 (New ASD).

I further recommend the establishment of an Executive Council for Defense Intelligence, to supersede a similar committee. This Council would properly consist of the Deputy Secretary of Defense as Chairman, the Chairman of the Joint Chiefs of Staff, the Director of Defense Research and Engineering, and, because of their obvious interest, the Director of Central Intelligence, and the President's Scientific Advisor. The Special Assistant for Intelligence would sit ex officio.

The Council will advise the Secretary of Defense on intelligence matters, and it will provide broad technical and organizational advice to the various DoD components. It would also provide a helpful communications channel to other interested agencies in the government.