

Track 1

21 April 1977

MEMORANDUM FOR: [REDACTED]  
Director of Performance Evaluation  
and Improvement

FROM : [REDACTED]

SUBJECT : Comments on PRM-11 Paper of  
21 April 1977

1. General Comments: The paper is a very Defense-oriented dialogue and excludes a lot of other users and producers. The entire paper is slanted to a national command authority or DOD/DCI dichotomy to the exclusion of other Executive Branch departments. These problems relate equally to other departments with which the DCI must interact, although the size of programs in DOD does make the DOD/DCI interface the most critical. The problem first appears in the first three paragraphs in which the tone of the paper and its logical outcomes are somewhat preordained. These paragraphs (and the rest of the paper) need to broaden the terms of reference to embrace other non-military users (especially at lower echelons).

2. In the same way, the paper concentrates too much on "national security policy." This should be opened up to include foreign policy, international economic policy, etc.

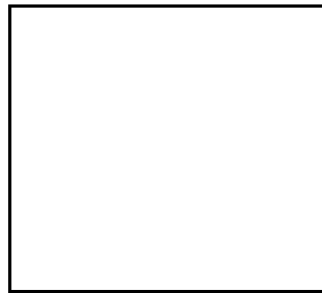
3. Specific Comments: The following specific comments are keyed to numbered paragraphs and lettered brackets in the text (attached).

3A Departmental activities such as force structure planning and weapon systems analysis are sub-sets of National Security Policy and, hence, are national in character.

3B Although timeliness and greater level of detail are characteristic of operational or tactical intelligence, force structure planning and weapon systems analysis are no more demanding than other national activities such as SALT negotiations and verification.

- 5A Note: In 1947 it is more likely that the departments being mentioned were the military departments. Probably not worth changing in the paper, however.
- 12/ These paragraphs do not accurately describe what really  
13 happened last year at the CFI, understate CFI accomplishments, and do not describe DCI role accurately; for example, the DCI is not an advisor to the Secretary of Defense.
- 14 This section should be entitled "Collection System Guidance, Priorities, Requirements, and Tasking." Present discussion excessively focused on tasking.
- 16A DCI Committees provide clearing-house function for tasking from all sources including tactical commanders. Issue of disseminating product is both national to tactical and tactical to national.
- 16B A central mechanism (DCI Committees with departmental representation) already exists and is working effectively.
17. This section should be entitled "Line Authority."
- 18A Seems to be a false issue. It does not seem conceivable that NSA would drastically change its military focus. In any case, this is a tasking question for which mechanisms already exist and are working effectively.
- 18B SIGINT direct support is under military services and under Program 2, which would continue to be the case under any line authority arrangement.
- 19A Secretary of Defense does not control requirements, even now.
- 22 As stated, does not represent current procedure. Should read:  
  
"Decisions on resource allocations are collegially arrived at by the PRC with neither the DCI or Secretary of Defense having unilateral decision authority. Appeals of PRC decisions are resolved by the NSC."
- 23 Would inhibit the DCI's ability to stimulate improvements in intelligence systems and would, in effect, make the DCI a mini-OMB.
- 25 Military commanders have to go through some mechanism in any case.

- 33 False assumption that resource management and line authority (operational control?) must go together. Again, look at distinction in Services and Unified and Specified Commands. Therefore, no combination of resource management authority and line authority is precluded.



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Attachment:  
As stated

## INTELLIGENCE STRUCTURE AND MISSION

### Response to Part 2 of PRM-II

1. In addressing the question of the most effective organizational arrangements for meeting the nation's intelligence needs, it is important to underscore that good intelligence is a prime requirement at every level of government concerned with national security from the President and members of the National Security Council to the military field commander.

2. At the national level the purpose of the U.S. Intelligence community is to produce high quality, relevant, and objective intelligence for the President, the NSC principals and, increasingly, for the Congress. These national needs range from information and analysis supporting the formulation of major policy decisions to providing strategic and tactical warning. Such intelligence is drawn from technologically advanced collection systems as well as the traditional forms of collection.

3. Intelligence must also serve the particular needs of the various components of the Department of Defense, including the military services. At the Departmental level intelligence is used in making decisions as to what weapons systems to develop and their necessary characteristics as well as in force structure planning. At another level, intelligence provides essential information for crisis response and support for the planning and conduct of military operations including time urgent data on military force movement and activity. A greater degree of timeliness and specificity tends to distinguish DoD's needs from those of civilian agencies. B. The means and manner of collecting, processing, and producing such intelligence are as diverse as are the needs.

4. At issue is what organizational arrangements will most effectively serve the wide variety of intelligence needs of national, departmental and tactical users.

5. The division of responsibilities set forth in the 1947 National Security Act and National Security Council Directives of the late 1940's and 1950's was between the CIA, which was to support the National Security Council, and the "departments and other agencies of the Government," which were to "continue to collect, evaluate, correlate, and disseminate departmental intelligence." A. The distinction was not between military and non-military but rather between that intelligence needed by the NSC and that needed by departmental and agency heads.

6. In the charge to the Director of Central Intelligence under the 1947 act to advise the NSC on "coordination of the intelligence activities of the several Government departments," President Truman sought to prevent repetition of the intelligence confusion and delays that occurred prior to Pearl Harbor. The problem addressed under the act was how to collect, collate, process, and especially disseminate intelligence reports and estimates that would best serve the national leadership--the President and the NSC.

7. Since 1947 intelligence collection has become far more technically sophisticated and complex. The old distinctions between national and departmental intelligence have blurred, but not disappeared.

8. The blurring of the traditional distinctions between "kinds" of intelligence has added an important element of complexity to two of the most basic aspects of intelligence organizations: The allocation of resources for intelligence collection and analysis; and the operational tasking of targeting of intelligence assets designed for purposes of collection.

#### Resource Allocation

9. The rapid growth of sophisticated Soviet weapons systems and communications technology, coupled with the advent of advanced U.S. collection systems over the last 15 years, has driven up the total cost of operating the government's intelligence programs. Since 1971, there has been pressure from the White House and from Congress to impose fiscal constraints on the total amount spent on intelligence and to ensure that there is no wasteful duplication of effort.

10. Accordingly, considerable attention has been paid to resource allocation. In 1971, President Nixon directed the DCI to plan and review all intelligence activities including tactical military intelligence and to rationalize intelligence priorities within budgetary constraints. The main thrust of this Directive was that major dollar savings could be achieved by making the DCI responsible for preparing for the President a consolidated intelligence program budget. The plan failed, in large part because Directors Helms and Colby were reluctant to intrude in the internal Defense programming and budgeting system.

11. In February 1976, President Ford made another effort to expand the role of the DCI in the allocation of intelligence resources. In his Executive Order he established a Committee on Foreign Intelligence (CFI) chaired by the DCI with responsibility to "control budget preparation and resource allocation for a National Foreign Intelligence Program, to establish policy priorities for the collection and production of national intelligence, and to provide guidance on the relationship between tactical and national intelligence."\*

\* Executive Order 11905. The CFI reports directly to the NSC and includes as members the Deputy Assistant to the President for National Security Affairs, and the Deputy Secretary of Defense.

12. This new system has completed one full intelligence program and budget cycle and the results are mixed. The language of the Executive Order was ambiguous in giving the CFI responsibility for controlling budget preparation but then asking the CFI to "review and amend" the budget prior to submission to OMB. [In fact] the CFI over the past year has taken the inputs from the various intelligence agencies and aggregated them with small changes into what is then called a national intelligence program budget. Instead of trying to establish policy priorities across the various collection and production programs, the CFI focused primarily on the largest components of the intelligence budget, the overhead reconnaissance activities. Efforts by the CFI to develop definitions of tactical military intelligence in terms relevant to the budget process proved fruitless.

13. In summary, the DCI's role in the overall intelligence budget process even as chairman of the CFI is that of an adviser to the Secretary of Defense except for those resources under his control as Director of CIA. Neither the DCI nor the CFI (now Policy Review Committee (intelligence)) provide an independent assessment of the various intelligence programs in the Defense budget. The DCI does not present the President with broad alternative options for the allocation of resources. He does not trade-off among the different programs or reconcile differences over priorities.

#### Tasking

14. Operational tasking at present reflects the traditional primacy of the DCI in this area. The DCI controls CIA, clandestine services, and the principal interagency committees which prioritize SIGINT and imagery tasking report to the DCI.

15. Tasking has been complicated because intelligence data-collection systems have grown increasingly capable of serving both the broad interests of the policy makers and defense planners and the more specific technical interests of weapons developers and the combat intelligence needs of field commanders. Communications intelligence provides political and economic data, as well as information on military capabilities and operations. Agents are asked to collect information on Soviet weapon technology, political intentions, grain harvests, etc. Satellites produce pictures which are critical both to the SALT policy maker and the Army Commander on the East German border.

16. A. [One issue is how to provide the tactical commander in the field not only the appropriate product from nationally controlled intelligence assets, but how to permit that commander to task those assets which can be directly responsive to his needs.] There is also an issue in the opposite sense, mainly

21 1. Either the DCI or Secretary of Defense could have responsibility and authority for establishing national intelligence requirements, preparing and issuing the national intelligence budget, and providing guidance for U.S. national intelligence program operations. In this capacity, the DCI or the Secretary of Defense could be involved early in the budget cycle in preparing the budgets of the respective intelligence community agencies; could issue fiscal guidance for the allocation of all national intelligence resources; could have responsibility for choosing among the programs of the different collection and production agencies and departments to insure against waste and unnecessary duplication. The governing statutes and E. O. 11905 would require substantial modification

22 2. Decisions could be negotiated collegially, with neither the DCI nor the Secretary of Defense having final decision authority in the absence of negotiated agreement. This is approximately today's situation.

23 3. The DCI could have the power (either with or without a collegial forum) to veto, but not to add, with respect to the NFIP elements in the budgets of a Department as determined from time to time by the Department. E.O. 11905 would need to be modestly modified, but not the governing statutes.

24 4. Resource decisions on collection and analysis systems and organizations could be made on a collegial basis in a negotiating forum for resource management matters. The Director of Central Intelligence or the Secretary of Defense could be the chairman, but neither would have final decision authority. Differences would be referred to the National Security Council or the President for decision. E.O. 11905 would need to be modified.

#### Operational Tasking

25 1. Continue present arrangements, based on separate collegial mechanisms, under which the DCI has final tasking authority during peace, crisis, and war. Under this system military commanders must go through these DCI mechanisms to task national systems not only in peacetime, but in time of crisis or war as well.

26 2. Substitute the Secretary of Defense for the DCI as the final tasking authority during peace, crisis, and war.

27 3. Modify present arrangements to:

a. establish a single centralized non-collegial mechanism for tasking. The principal purpose would be to improve responsiveness in crisis and war.

28 b. provide for shift of final tasking authority from the DCI to SECDEF during crisis or war. Modification of E.O. 11905 would be required for a. and b. Statutory changes would probably be required for b.

29 3. The President could designate the DCI or the Secretary of Defense as the control authority for a particular type of system under specific circumstances, depending primarily on the balance of importance between national and military requirements.

Day-To-Day Authority

30 1. Retain existing distribution of day-to-day authority over national systems.

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32. The governing status and E.O. 11905 would require substantial modifications.

33 The above variations in authority over resource allocation, operational tasking, and day-to-day management authority can clearly be combined into a number of basic management techniques. They range from a Secretary of Defense maintaining existing day-to-day control over national systems such as NSA while gaining final authority over resource allocation and operational tasking, to a DCI maintaining and/or assuming the same authorities and responsibilities.

34 Whatever the variations in basic management techniques, the basic issue is one of deciding what degree of centralized authority will best serve the intelligence needs of the country. Vesting final resource allocation, operational tasking, and day-to-day management authority over national systems with either the DCI or the Secretary of Defense is one approach to the management of intelligence activities with all the potential risks of not serving the diverse needs of the wide variety of intelligence consumers.

35 Another basic approach would be to divide responsibility for resource allocation and substantive intelligence collection and production-- a separation between resource allocation and day-to-day management. But there are questions here as well:

36 --If the DCI assumes the responsibility for allocation national resources, would the military requirements be adequately served? Would resource rationalization and efficient management be possible if the DCI



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responsibility for resource allocation while the Secretary of Defense managed intelligence activities? Could procedures be devised to provide continuing availability of sufficient intelligence resources for the military commanders and to insure the Secretary of Defense would be able to task intelligence systems during a time of crisis or war? On the other side of the ledger, if a Secretary of Defense retains his present responsibilities for resource, can he insure that all <sup>w</sup> <sup>a</sup> needs of intelligence consumers are met--Treasury, The Department of State, NSC? Does he have time to rationalize intelligence resources given all the other demands on his time?