

15 April 1977

NOTE FOR: C/PAID
C/HRD
C/SD
C/ID
AC/IS

SUBJECT : Response to PRM-11, Task 2

The package at Tab A contains the response drafted by [redacted] to the DCI's own outline for Task 2 of PRM-11. This package was passed to Defense informally during a recent meeting by [redacted]

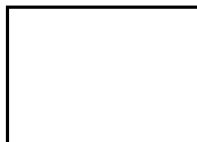
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At Tab B is a rewrite of the [redacted] response, which was done by the DCI.

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At Tab C is [redacted] rewrite of the DCI's rewrite.

A draft paper on the response to Part 3 of PRM-11 is at Tab D for your review.



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DCI/IC-77-0774
6 April 1977

MEMORANDUM FOR: Director of Central Intelligence

FROM :
Deputy to the DCI for the Intelligence Community

SUBJECT : Response to Part 2 of PRM-11

1. Attached at Tab A is a paper prepared as the Part 2 response to PRM-11 which is specifically based on the outline that you provided on 4 April.

2. At Tab B is an alternative paper generally based on the approach used in the outline you provided, but which takes a somewhat different approach and illustrates the complexity of the present situation and the action options in tabular format.



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Attachments:
as stated

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SA-D/DCI/IC
(6 April 1977)

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INTELLIGENCE STRUCTURE AND MISSION

Response to Part 2 of PRM-11

A. INTRODUCTION

1. The basic purpose of intelligence activities is to provide each echelon of command and control from the President to the military field commander with judgments and information relating to all aspects of the foreign situation needed as basis for his decisions and actions in execution of his responsibilities. Responding to the national, departmental and tactical needs of the users of intelligence requires the existence of assets and arrangements for the collection, processing, analysis, production and dissemination of intelligence that is timely, accurate and responsive to user needs.

2. It is the role of intelligence to support the formulation and execution of policy decisions and strategy in diplomatic, military, economic and other arenas, to provide strategic and tactical warning, to support crisis responses, to provide guidance for weapons system acquisition, to prevent technological surprise, to provide a basis for force structure planning and to support preparation for and the conduct of military operations.

3. In execution of this role, the Intelligence Community must have goals and objectives which will enhance its support for national policy and strategy, for national tactics in crisis management and for military strategy and tactics.

B. INTELLIGENCE REQUIREMENTS RELATED TO ITS GOALS

4. As regards national policy and strategy:

- Inputs are long-term political, military and economic indicators.
- The primary techniques used are technical collection systems; covert and overt human collection assets; good analysis, synthesis and interpretation, and prompt dissemination.
- Principal consumers are the President, the NSC, Cabinet members and the Congress.

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5. As regards national tactics in crisis management:

- Inputs are immediate military and other warning indicators.
- The primary techniques used are technical collection systems, covert human collection assets, good correlation and display, and rapid interpretation.
- Principal consumers are the President, the Secretary of State and the Secretary of Defense.

6. As regards military strategy:

- Inputs are primarily military order of battle, characteristics of present weapons, and anticipated weapons and force developments.
- Primary techniques used are technical collection systems, covert and overt human collection assets, and net assessments.
- Principal consumers are the President, Secretary of Defense and the Joint Chiefs of Staff.

7. As regards military tactics:

- Inputs are time-urgent data on military force movements and actions.
- Primary techniques used are technical collection systems and tactical intelligence assets under theater or local military control.
- Principal consumers are the Joint Chiefs of Staff and operational field commanders.

C. ORGANIZATIONAL ISSUES IN COORDINATING TECHNIQUES AND SUPPORTING CONSUMERS

8. Basic problems of organization, of command and control and of coordination arise from the fact that:

- Individual collection systems and techniques are capable of simultaneously serving the needs of consumers at different echelons of the Government;
- Tasking control of collection assets capable of serving consumers with widely differing needs are not always clearcut;
- There is some overlap in the capabilities of various collection techniques to acquire needed information.

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9. On matters of both national and departmental intelligence, there is overlap for program and budget development and for operational tasking between the assigned responsibilities of the DCI and the departmental secretaries, primarily the Secretary of Defense.

10. The key point for consideration is the desired degree of centralized control.

a. As regards management, including program and budget development, budget approval and fiscal control, the alternatives are:

- A collegial system, in which the DCI is Chairman;
- Assignment of authority to the DCI to serve as arbiter;
- Assignment of authority to the Secretary of Defense, with the DCI reporting to the Secretary.

b. As regards operational tasking going beyond the authority to establish requirements and priorities, the alternatives are:

- A collegial system in which the DCI is Chairman and arbiter;
- A collegial system in which the Secretary of Defense is arbiter;
- A collegial system in which the President designates those matters on which the DCI shall be arbiter and those on which the Secretary of Defense shall be arbiter, depending on the relative importance assigned to national and/or military requirements;
- Assignment of control of operational tasking responsibility to the DCI;
- Assignment of operational tasking responsibility to the Secretary of Defense, with the DCI reporting to the Secretary.

c. Whatever the degree and focus of centralized control in peacetime, provision will have to be included for transfer of operating tasking authority to the Joint Chiefs of Staff in wartime, as determined by the President.

11. The foregoing alternatives can be depicted in the following alternatives:

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MANAGEMENT TASKING	UNCERTAIN COLLEGIAL TASKING	PRESIDENTIAL DESIGNEE TASKING
Collegial	Option A--what exists today.	Option B--Resource management as today, more specific operational tasking procedures.
DCI in charge	Option C--Stronger DCI role in resource management; operational tasking as today.	Option D--Stronger DCI role in resource management; more specific operational tasking procedures.
Secretary of Defense in charge	Option E--SECDEF is head of the entire Intelligence Community as well as military forces.	Option F--SECDEF is head of the entire Intelligence Community as well as military forces.

D. CHANGES IN DIRECTIVES NEEDED TO MATCH MANAGEMENT OPTIONS

12. Changes in statutes or Executive Orders needed to put into effect each of the six options outlined above are as follows:

Option A: None

Option B: Modify E.O. 11905 to provide specific guidelines for tasking each generic national, departmental and tactical intelligence collection and production asset.

-- Such guidelines should designate the normal arbiter for each category of intelligence, provide for modification as circumstances warrant, and designate those systems which will normally be subtasked to military field commanders for some portion of their operations.

Option C: Modify E.O. 11905 to give DCI final authority for budget development and approval for submissions of CIA, NSA,

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[REDACTED]
DIA, the military service intelligence organizations, and INR/State, with coordinating authority on budgets for the intelligence/counterintelligence functions of the intelligence elements of the FBI, Treasury Department and ERDA.

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Option D: Will require a combination of B and C above.

Options E & F: Will require amendment of the National Security Act of 1947, the CIA Act of 1949 and E.O. 11905 to give the Secretary of Defense full authority over the Intelligence Community, including the CIA.

E. ORGANIZATIONAL CHANGES REQUIRED TO MATCH THE MANAGEMENT OPTIONS

13. The organizational changes required to bring the Intelligence Community structure into consonance with the options outlined in Paragraph 11 and the changes in directives described in Paragraph 12 are as follows:

Option A: None.

Option B: None.

Options C & D: Two key questions are involved:

a. First, should the DCI, as resource manager for the entire Intelligence Community, also be the operating head of the CIA?

(1) If the answer is "Yes," no organizational changes are required.

(2) If the answer is "No," a new issue arises as to whether the DCI can perform his role as intelligence advisor to the President without control of some intelligence analysis and estimating resources.

(a) If it is considered that such resources are needed, decision will be required as to whether the DCI staff must include:

- Only the present, or an expanded, NIO organization;
- The NIO Staff and part of the CIA Directorate of Intelligence;
- The NIO Staff and all of the CIA/DDI.

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(3) The DCI already has responsibility for production of national intelligence, and there is no statutory provision for the internal organization of CIA, so the only requirement would be indication by Executive Order that the DCI, separated from CIA, was charged to produce national intelligence and authorized to establish such a staff as his duties and authorities required.

b. The second key question is whether resource management and operational tasking by the DCI of NSA

[REDACTED] is compatible with their having a dual responsibility to the Secretary of Defense? If the DCI is separated from the CIA, a related question is whether he should have the same direct control of national intelligence collection assets within the Department of Defense as he will have over CIA operations?

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(1) If the answer to the above questions is "Yes," an Executive Order will be required transferring management and operational control of NSA [REDACTED] from the Secretary of Defense to the DCI. Careful study would be needed as to whether it might be preferable to transfer these organizations out of the Department of Defense.

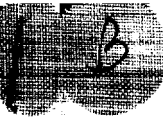
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Options
E & F:

Since the National Security Act of 1947 provides that the CIA is under the direction of the National Security Council, making the Agency directly responsible to the Secretary of Defense would require legislation. Careful study would be required as to whether the degree of control to be exercised by the Secretary of Defense actually would require that the CIA become an element of the Department of Defense.

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INTELLIGENCE STRUCTURE AND MISSION

Response to Part 2 of PRM-11

A. INTRODUCTION

1. The basic purpose of intelligence activities is to provide each echelon of command and control from the President to the military field commander with judgments and information relating to all aspects of the foreign situation needed as basis for his decisions and actions in execution of his responsibilities. Responding to the national, departmental and tactical* needs of the users of intelligence requires the existence of assets and arrangements for the collection, processing, analysis, production and dissemination of intelligence that is timely, accurate, and responsive to user needs.

2. Complexity of the interrelationships among U.S. intelligence activities is illustrated in Table 1 by listing the five basic activities for which continuing inputs of intelligence are needed, and showing the overlaps that exist among categories of intelligence, primary customers, the essential products and the collection assets needed.

3. The problem to be assessed in Part 2 of PRM-11 is how these interrelationships can best be recognized in mechanisms for direction and coordination of intelligence activities which will promote effectiveness of the overall effort.

*National intelligence means that intelligence required by the President, the National Security Council and other officials of the United States Government involved in formulating and directing the implementation of national policy, particularly foreign policy and national security policy. Departmental intelligence is that intelligence that any department or other independent organization of the Government requires to execute its assigned mission.

Tactical intelligence is that intelligence required by the operating forces of the military services to maintain their readiness for combat operations and to support the planning and conduct of such operations under combat conditions.

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TABLE 1

INTERRELATIONSHIPS AMONG U.S. INTELLIGENCE ACTIVITIES

CATEGORY OF INTELLIGENCE	BASIC ACTIVITIES SERVED BY INTELLIGENCE:				
	Formulation of National Policy and Strategy	Warning and Crisis Management	Weapon Systems Acquisition	Military Force Structure Planning	Readiness for Conduct of Military Operations
National	X	X	X	X	
Departmental			X	X	X
Tactical		X			X
PRIMARY CUSTOMERS					
President	X	X	X	X	
NSC	X	X	X	X	
Sec. Defense	X	X	X	X	X
Sec. State	X	X			
JCS		X	X	X	X
Military Depts.			X	X	
Operational Commanders					
Congress	X	X			X
ESSENTIAL INTEL. PRODUCTS					
Mid/Long-Term Indicators	X		X	X	
Multi-discipline Estimates	X		X	X	
Net Assessments	X		X	X	
Near-term Estimates	X	X		X	
Technical Analyses			X		
Current Reporting		X			
Situation Reports		X			X
Alert Memoranda		X			X
COLLECTION ASSETS NEEDED					
SIGINT Sensors	X	X	X	X	X
Imagery Sensors	X	X	X	X	X
Human (covert)	X	X	X	X	X
Human (overt)	X	X	X	X	X

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B. CURRENT ORGANIZATION AND MANAGEMENT ISSUES

4. Over a period of more than 30 years the U.S. foreign intelligence effort has evolved into a diverse and rather complex network of intelligence organizations, operating under numerous directives and coordination mechanisms intended to foster the effectiveness of the effort. In recent years the trend has been to invoke limited centralization mechanisms, and recent Presidents have indicated an interest in strengthening the role of the Director of Central Intelligence. The current situation, in terms of allocation of responsibilities, is presented in Table 2. There are problems in looking at intelligence as national, departmental or tactical (as Table 2 does) because some information, by its use, falls in more than one category, but it is generally accepted that most intelligence organizations have a primary mission which comes within one of the three categories, e.g., CIA is a "national" organization, DIA is "departmental" and an armored reconnaissance unit is "tactical."

5. As Table 2 indicates:

a. The only collegial responsibility is the NSC Policy Review Committee review and approval of the National Foreign Intelligence Program budget that includes both national and departmental intelligence elements. Even here, a potential conflict exists because of responsibility of each departmental secretary for the budget of his department.

b. The DCI (under Executive Order 11905) and the departmental secretaries each have responsibilities to develop budgets for national and departmental intelligence activities.

c. By his establishment of requirements and priorities for national intelligence the DCI can exert an influence tantamount to tasking of organizations within the DoD with the primary mission of collection of national intelligence [redacted]

[redacted] but these organizations are also subject to departmental tasking.

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C. ORGANIZATIONAL AND MANAGEMENT ISSUES

6. The basic organizational and management problem for consideration is the relative responsibilities of the DCI and the Secretary of Defense for national intelligence activities. The Secretary of State and other organization heads are involved, but emphasis is put on the Secretary of Defense because four-fifths of the resources for the National Foreign Intelligence Program (NFIP) budget are appropriated for intelligence elements in the Department of Defense. The problem stems from the fact that departmental prerogatives can run counter to DCI responsibilities as

TABLE 2

CURRENT ALLOCATION OF RESPONSIBILITIES
FOR U.S. FOREIGN INTELLIGENCE ACTIVITIES

Responsibility	National Intelligence	Department Intelligence	Tactical Intelligence
Issue policy guidance	NSC NSC/PRC	NSC NSC/PRC	Departmental Secy.
Develop plans	DCI Program Managers	Dept. Secy. JCS	Dept. Secy. JCS
Develop programs	Program Managers	Program Managers	JCS Military Services
Develop budget	DCI Dept. Secy.	DCI Dept. Secy.	Dept. Secy.
Approve budget	NSC/PRC Dept. Secy.	NSC/PRC Dept. Secy.	Dept. Secy.
Establish requirements, priorities, collection tasking	DCI	Dept. Secy.	Operational Cmdrs.
Exercise programatic tasking	DCI (CIA only) Dept. Secy.	Dept. Secy.	Operational Cmdrs.
Manage by line control	DCI (CIA only) Dept. Secy.	Dept. Secy.	Operational Cmdrs.

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set forth by the President in E.O. 11905 to "ensure the development and submission" of the NFIP budget, to develop national intelligence requirements and priorities, and to supervise the production of national intelligence. Two basic questions are involved:

a. Who should have budget development and approval authority for national intelligence?

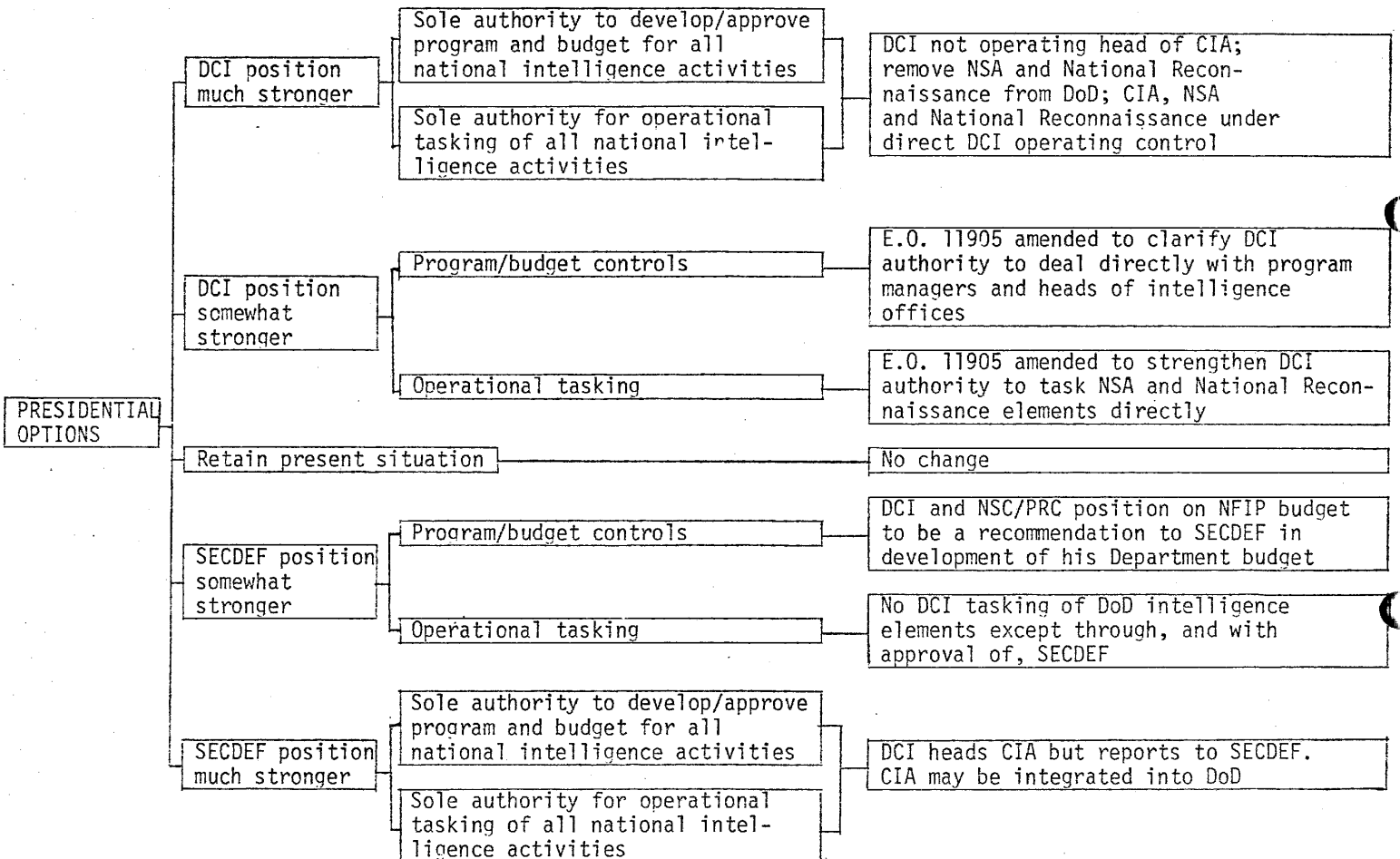
b. Who should have operational control and tasking authority over organizations with the primary mission of acquiring and producing national intelligence?

7. Responsibilities for the actual collection, processing, analysis and production of national intelligence are quite clearly delineated, coordination mechanisms exist, and the system, while far from perfect, is working quite satisfactorily.

8. Presidential options for decisions and actions affecting the questions listed in Paragraph 6 above are depicted in Table 3. They range from retaining the present situation through putting either the DCI or the Secretary of Defense in a somewhat stronger position to making the position of either of these officials much stronger.

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TABLE 3
DECISION OPTIONS AND ACTIONS FOR NATIONAL INTELLIGENCE ACTIVITIES



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INTELLIGENCE STRUCTURE AND MISSION

DCI RESPONSE TO PART 2 OF PRM-11

When one addresses 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 commanders.

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, 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 derived from the most technologically advanced technical collection systems as well as from the most traditional forms of espionage.

Intelligence must also serve the particular needs of the Department of Defense and the military services. At one level intelligence is used in making decisions as to what weapons

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system to develop as well as in force structure planning. At another level, intelligence provides essential information for crisis response and support for the conduct of military operations including the time-urgent data on military force movement and activity. The means and manner of collecting, processing, and producing such intelligence are as diverse as are the needs.

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

The National Security Act of 1947 and the National Security Council Intelligence Directives of the late 1940s and 1950s established the basic division of responsibilities with respect to intelligence activities among agencies and departments. These divisions had their origins in the traditional distinction between military and non-military intelligence. The CIA was directed to produce "national" intelligence while the military services were asked to continue to collect and produce "military" intelligence for use both in war and peacetime.

In charging the Director of Central Intelligence, as head of CIA, with "coordinating" the intelligence activities of the several Government departments, the National Security Act of 1947 sought to prevent a repeat of the intelligence confusion and delays that occurred prior to Pearl Harbor. The problem

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addressed under the act was how to collect, collate, and process intelligence reports and estimates that would best serve the national leadership--the President and the NSC.

It is clear that the national security "language" of the 1940s and 1950s does not serve the needs of a modern and technologically complex Intelligence Community. The old distinctions between "military" and "non-military," and "tactical" and "national" have blurred.

Two separate aspects of the problems have markedly risen in importance since 1947: the efficient management of the resources allocated for intelligence collection and analysis; and the optimal targeting of intelligence collection assets.

The resource allocation role of the DCI is complicated by the fact that the resources applied to signals intelligence and to satellite reconnaissance systems within the Department of Defense represent more than half of the National Foreign Intelligence Program budget. In contrast, the portion of the NFIP budget that is appropriated to the Director of Central Intelligence (in his capacity as Director of the CIA) is only about percent. This has created problems for the DCI in his exercise of leadership of the Intelligence Community, and puts the Directors of NSA and the national reconnaissance effort in the position of serving two masters--the Secretary

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of Defense and the DCI. At the same time, the existence of intelligence collectors with potentially overlapping capabilities, and the high costs of technical collection systems, makes it increasingly important that there exist arrangements to consider tradeoffs between the different systems.

The management of intelligence activities throughout the Intelligence Community actually involves three types of tasking.

First, is "mission" tasking, which is the "what to do" tasking of collection and production organizations. This type tasking is now done for the DCI in the collection field through his development of requirements and priorities, and his levying them on collectors, primarily through the mechanisms of the DCI COMIREX and SIGINT Committees. In the production of national intelligence, mission tasking is controlled by the DCI through his NIOs and his operational management of the CIA.

Second, there is "operational" tasking, which is the "how to do it" response to mission tasking. Operational tasking is the responsibility of the operating head of each organization of the Intelligence Community. The DCI operationally tasks only the CIA. Operational tasking of Defense elements of the Intelligence Community is handled within the Defense Department.

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The third type is "program and budget tasking" which is tasking directly related to "what should we do in the future?" It is in this area of tasking that current DCI responsibilities and authorities do not match, and in which there is the potential for differences with departmental secretaries who look upon program and budget tasking for intelligence activities as a part of their overall responsibilities to task elements of the department to do whatever is needed to develop programs and budgets. Executive Order 11905 charges the DCI to "ensure the development and submission of a budget for the National Foreign Intelligence Program," but his authority for program and budget tasking is subject to departmental challenge.

The tasking of collector organizations is complicated because increasingly, intelligence data-collection systems have grown capable of serving both the broad interests of the policymakers and defense planners and the more specific technical interests of weapons developers and field commanders. Signals intelligence provides both economic and military communications intelligence. Spies are asked to collect information on Soviet weapon technology, political intentions, grain harvests, etc. Satellites produce pictures which are critical both to the SALT policymaker and the Army Commander on the East German border.

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There are issues of how to provide the tactical commander in the field not only the appropriate product of "national" intelligence collection assets, but how to permit that commander to task those assets directly to his needs; and there are issues in the opposite direction, mainly involving ensuring that the appropriate product of "tactical" intelligence collection is made available to national policymakers.

One key question, then, is what degree of centralization of control in the Intelligence Community will best provide resource rationalization and insurance against duplication and waste. Another question is how to task the multiplicity of collection systems in ways that will be fully responsive to the needs of all consumers. For example, any gains in efficiency of tasking at the national level cannot be at the expense of the Secretary of Defense's requirements for immediately responsive intelligence assets in crisis and in wartime.

Alternative forms of resource management and operational tasking control deserve to be considered.

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Resource Management Techniques

Resource decisions on collection and analysis systems and organizations could be made on a collegial basis in a negotiating forum which deals with 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.

The same negotiating forum, could be used with the DCI having decision authority, subject only to appeal by other members to the NSC or the President.

The Secretary of Defense could have the decision authority.

Day-to-Day Operational Control and Mission Tasking Techniques

The direct mission tasking of intelligence collection systems could be left to committee decision with actual command authority left uncertain, and subject to negotiation.

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

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These variations in authority over resource allocation and operational tasking can be combined into the following basic management techniques:

<u>Tasking Management</u>	<u>Collegial Tasking</u>	<u>Presidential Designee Tasking</u>
Collegial Management	A	B
DCI Control	C	D
Sec. Defense Control	E	F

Option A is about today's arrangements. No changes would be necessary to E.O. 11905.

Option B is today's resource management procedures with more specific mission and operational tasking procedures. E.O. 11905 would have to be modified to provide specific guidelines for tasking each generic category of "national" and "tactical" intelligence collection.

Option C is a strengthened DCI role in resource management with today's mission and operational tasking. E.O. 11905 would have to be modified to provide DCI full resource control over present DDO assets.

Option D is a strengthened DCI role in resource management with more specific mission and operational tasking procedures. Changes in E.O. 11905 as in B and C above.

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Option E is Secretary of Defense in control of resource management and today's mission and operational tasking. Changes would be necessary in E.O. 11905 to reduce DCI responsibility for resource management.

Option F is Secretary of Defense resource control and more specific mission and operational tasking. Changes in E.O. 11905 as in E and B above.

Possible Organizational Changes to Match the Above Management Techniques

There would seem to be no organizational changes required under A and B.

With C and D, where the DCI would have responsibility for allocating national intelligence resources, the question arises whether a DCI with final authority for all resources should also remain as head of one of the agencies (CIA) competing for these resources.

If the answer is "no," then the question must be addressed as to whether the DCI as principal intelligence advisor to the President can perform that function effectively without direct control of some intelligence analysis and estimating resources. And if he must have such resources, what are the alternatives: The NIO organization only, the NIO and all of the DDI, the NIO and part of the DDI?

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With C and D, there is also the issue of whether resource rationalization and efficient management would be possible if the DCI had responsibility for resource allocation while the Secretary of Defense continued to manage intelligence activities? This would require considering transfer of the principal DoD collection assets ([redacted])

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[redacted] to the DCI. Finally under C and D, there is also the question as to whether procedures could be devised to provide continuing availability of intelligence resources of the right type to meet the needs of military commanders during a time of crisis or war? This would require some explicit provisions for collegial control of major resource decisions on procurement or discontinuance.

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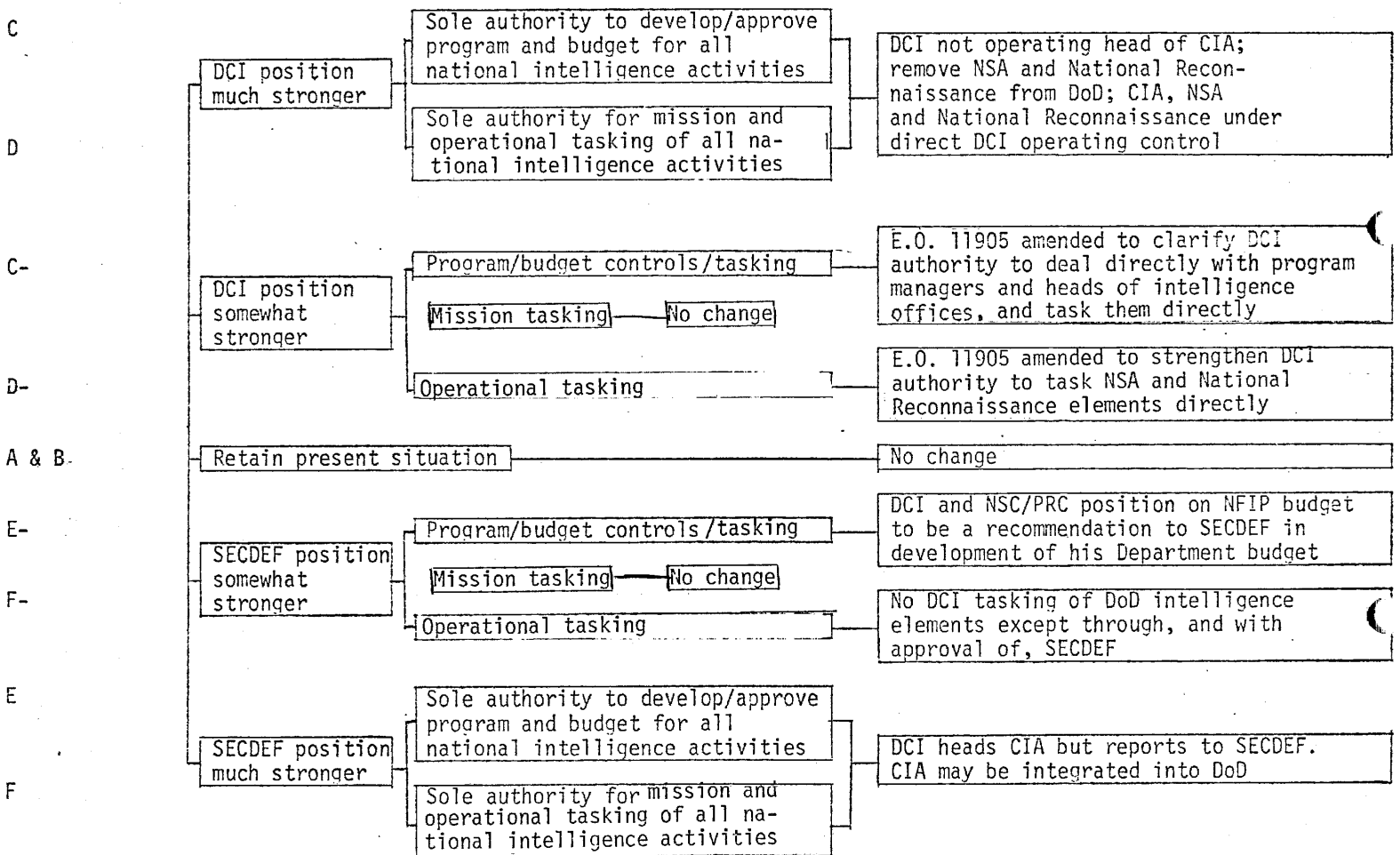
In E and F the question would arise as to possible conflicts between the DCI's role and that of the Secretary of Defense in resource management. Could the DCI be subordinated to the Secretary of Defense for resource management purposes, but left with a direct access to the President for purposes of advising on matters of intelligence substance?

There are, of course, variations on these techniques, especially as to degree of control. That is, a move to give either the DCI or the Secretary of Defense stronger control of resource management need not be total, but only more definitive than at present. The attached chart summarizes these various techniques with gradations in between.

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TECHNIQUES FOR MANAGING AND TASKING NATIONAL INTELLIGENCE ACTIVITIES



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RESPONSE TO PART 3, PRM-11

A. INTRODUCTION

1. Need for changes in present directives governing the Intelligence Community should focus on four areas, the controls over which are key to the effectiveness of the U.S. foreign intelligence effort. These four are the controls over:

- a. Legality/propriety of intelligence activities;
- b. Production and evaluation of national intelligence products;
- c. Establishment of requirements and ~~proprieties~~ ^{PROPRIETIES} and tasking of current collection assets;
- d. Planning, programming and budgeting of future assets.

2. Since the role of the senior U.S. intelligence officer (the DCI) is key to consideration of the organization and functioning of the Intelligence Community, the following discussion of these four areas of control focuses largely on the responsibilities and authorities of the DCI.

B. CONTROLS OVER LEGALITY/PROPRIETY OF INTELLIGENCE ACTIVITIES

3. Effective controls in this area call for clear directives or laws, professional ethics and an effective oversight mechanism.

- a. The Attorney General's Part 1 response to PRM-11 should indicate whether there is any need to expand on provisions of E.O. 11905.
- b. A high standard of professional ethics depends more on leadership and morale than on directives.
- c. The Intelligence Oversight Board system established by E.O. 11905 has worked reasonably well.

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4. It would not be appropriate to charge the DCI to oversee the legality and propriety of intelligence activities conducted by any organization for which he does not have operating management responsibility. No change should be made in this area other than to provide that the Intelligence Oversight Board (or whatever other mechanism the President may elect to establish for this oversight function) shall furnish to the DCI all reports relating to the possible illegality or impropriety of activities for which he is the operating manager.

C. CONTROL OVER PRODUCTION AND EVALUATION OF NATIONAL INTELLIGENCE

5. The DCI responsibility and authority for the production of national intelligence is quite clearcut, and his role in the production of intelligence has carried with it recognition that he also is responsible for evaluating the timeliness, quality and responsiveness of the products.

changes in emphasis →

a. Improvement in the intelligence product relates more to management attention, the development of analysts, the adequacy of personnel and automatic data support than to changes in directives or restructuring of offices.

b. Likewise, improvement in the interface among national and departmental products to assure a maximum of mutual support is a matter of leadership and effective staff-level actions rather than of directives.

6. Overall, the DCI has adequate responsibility and authorities to direct national intelligence production, and to evaluate the effectiveness and utility both of the products and of the collection, processing and analysis efforts that support intelligence production. No change in existing directives or in existing organizational arrangements is needed for the production of national intelligence.

D. CONTROL OVER REQUIREMENTS DEVELOPMENT, PRIORITY SETTING, AND MISSION TASKING OF CURRENT COLLECTION ASSETS

7. The DCI currently is charged to develop national intelligence and priorities and he has developed mechanisms for levying these on collectors as mission tasking.

a. This process is highly developed in the imagery and SIGINT fields, and requirements, and their tasking, are handled in a systematic way by the DCI's Committee on Imagery Requirements and Exploitation (COMIREX) and SIGINT Committee.

b. As regards collection by human resources, DCI authority extends only to the CIA. Delineation of DCI authority to task both overt and covert human resources would improve the situation.

c. Defense Department concerns over transfer of control over national intelligence assets to the Secretary of Defense in wartime call for a careful study of arrangements by which this can best be accomplished. Presidential action should be limited to directing that this be done. Update of the existing Memorandum of Understanding between the Secretary of Defense and the DCI could be the vehicle.

8. Overall, the DCI has adequate responsibilities and authorities to develop national intelligence requirements and their priorities. He has an effective system for levying mission tasking on collectors of imagery and signals intelligence. Attention should be given to granting the DCI directive authority to levy national intelligence requirements on human resource collectors other than those in CIA.

E. CONTROL OVER PLANNING, PROGRAMMING AND BUDGETING FOR FUTURE ASSETS

9. Interest in furthering the effectiveness and efficiency of the U.S. foreign intelligence effort under tight fiscal constraints has turned Presidential interest toward greater centralization of the planning, programming, budget process. The DCI has been the focal point of those interested in centralization. To date this has resulted in assigning the DCI responsibilities which are not matched by authorities. A primary result of the PRM-11 exercise should be rectification of this imbalance.

a. The DCI is now charged to "ensure the development and submission of a budget for the National Foreign Intelligence Program," but lack of specific authority for the DCI to deal directly on these matters with intelligence program managers and the operating heads of intelligence organizations makes DCI actions in this field subject to departmental challenge.

b. The NFIP budget assembled by the DCI is submitted to the NSC Policy Review Committee for review and approval, but it is unclear whether the PRC decision as to the NFIP budget is directive on the departmental secretaries or is merely a recommendation to be considered in development of the departmental budget.

10. The first decision to be made is whether there should be a return to the pre-1971 situation in which there was no National Foreign Intelligence Program budget. The CIA prepared its own budget and the budgets of intelligence components within the departments and other agencies were handled strictly within departmental channels. The balance of this paper is premised on the expectation there will be no decision to return to the pre-1971 situation.

11. Assuming there will continue to be a consolidated National Foreign Intelligence Program budget, there is need to assure that whoever is responsible for preparing that budget also has responsibilities and commensurate authorities for the planning and programming which provide underpinning for the budget and assure the development of adequate future capabilities.

12. Whatever mechanisms are provided for the planning, programming, budgeting of future assets, the system must be such that it:

- a. Permits thorough study of pertinent issues;
- b. Allows an airing of all claims;
- c. Is flexible enough to encourage new approaches;
- d. Provides for appropriate resource tradeoffs within and among programs;
- e. Works smoothly and resolves disputes quickly and decisively.

13. Options for a Community arrangement which would support the functioning of such a system are outlined in the next section.

F. OPTIONS FOR COMMUNITY ORGANIZATION

14. The approach to the problem of organizational options for the Intelligence Community initially involves three questions:

a. Should the person who is primary intelligence adviser to the President also be responsible for planning, programming and budgeting needed to assure adequate future national intelligence capabilities?

(1) Yes. The President's adviser will inevitably need to advise on both substantive information resource needs, including the basis on which such needs are determined.

b. Should the primary intelligence adviser to the President also be responsible for the production of national intelligence?

(1) Yes. Whoever is responsible for substantive information, particularly in crisis or time-urgent situations, will be, in fact if not in title, the actual primary intelligence adviser to the President. Denial to the senior intelligence officer of his analytical and production base would virtually destroy his capability to serve effectively as the President's primary intelligence adviser.

c. Would it be appropriate to designate as primary intelligence adviser to the President a person who is assigned to a department and is directly subordinate to a departmental secretary?

(1) No. The independence of the primary intelligence adviser to the President from departmental concerns and loyalties will be a continuing hallmark of his value to the President.

15. The problem of options, therefore, essentially boils down to the role and authorities of the DCI: Should they be roughly as at present, should they be expanded moderately, or should they be expanded in a truly major way?

a. Leaving matters as they are probably is unacceptable to the President, whose issuance of PRM-11 suggests an intention to put his mark on the Intelligence Community and the manner in which it functions.

b. A moderate expansion of the DCI role could be accomplished by leaving him as the Director of the CIA as well as of the Community, and making the following changes by Executive Order.

(1) Make the DCI responsible for preparing the National Foreign Intelligence Program budget and submitting it to the NSC Policy Review Committee. Grant the DCI clear authority for direct contact with program managers and the operating heads of intelligence organizations and to obtain from them the information and data required for preparation of the budget and associated studies on issues identified during budget development.

(2) Provide, through the role of the NSC Policy Review Committee, for interdepartmental review and consideration of the NFIP budget. As now, where there are disagreements between the DCI and the secretary of a department, the appeal channel to the President should be retained.

(3) Specifically provide the DCI with authority to oversee the development of intelligence plans and programs and to task elements of the Community for preparation of planning and programming inputs as required for planning and programming activities of his Intelligence Community Staff.

(4) Direct the DCI to develop arrangements and mechanisms by which overt and covert collection capabilities of human resources in organizations other than CIA can be tasked to work against national intelligence information requirements.

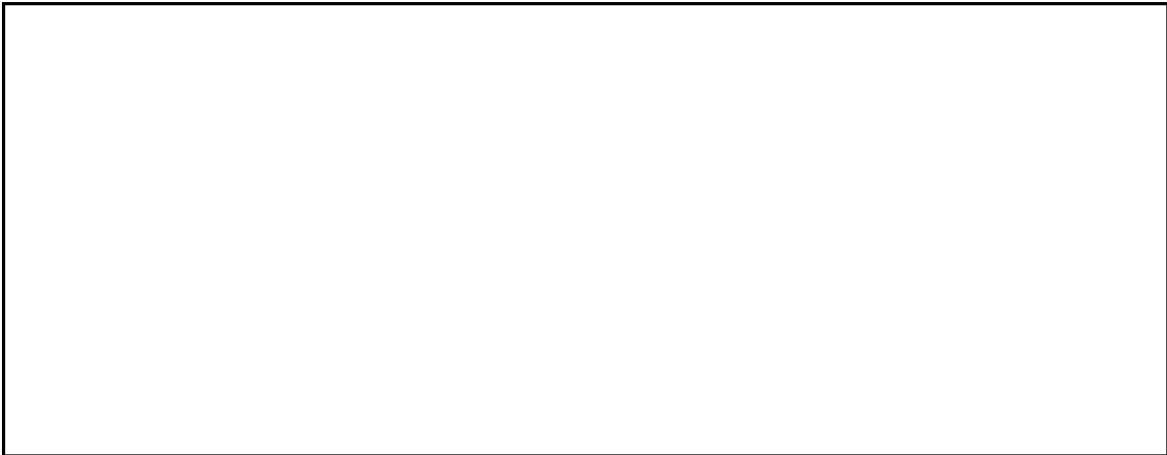
(5) Direct the DCI to initiate efforts to provide for a working interface among national, departmental and tactical intelligence assets in wartime which will assure direct responsiveness to requirements of the Department of Defense and the operational commands, and still retain essential support for national intelligence needs. ILLEGIB



16. A major expansion of the DCI role could be accomplished by drastic surgery on the national foreign intelligence community resulting in:

a. Creation of a National Intelligence Agency (by whatever name) with three subordinate elements: The Central Intelligence Agency, the National Security Agency the Department of Defense which are now included in the NFIP. Because of its size, it probably would not be feasible to include the NIA in the Executive Office of the President.

b. Establishment of a Director of National Intelligence as the senior intelligence officer, primary adviser to the President and operating head of the National Intelligence Agency.



d. Establishment of a Director of the CIA as operating manager of the Agency and reporting in the chain of command to the Director of National Intelligence.

17. On balance, it is recommended that the program outlined above for a moderate expansion of the role and authorities of the DCI be approved.

D/OPEJ
1322

12 April 1977

NOTE FOR [REDACTED]

25X1

The attached draft paper responds to your request this morning for a position paper responding to Part 3 of PRM-11.

[REDACTED] and I prepared 25X1 separate approaches to an outline, and the attached paper reflects ideas from both. I think the draft responds to [REDACTED] expressed concerns, and have 25X1 passed a copy to him for review. 25X1

[REDACTED]
SA-D/DCI/IC

Attachment:
as stated

ACTION