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The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

DCI/IC 78-3900

12 JUL 1978

MEMORANDUM FOR: Mr. Walter McDonald
Deputy Assistant Secretary for International
Affairs
Department of Energy

FROM:
Deputy to the DCI for Resource Management

SUBJECT: FY 1980-1984 NFIP Program Issue Papers

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Thank you for the presentation of your program in last week's review session. As the next step, I would like to have your comments on the attached draft issue package. In particular, I would appreciate your thoughts on points which you find to be errors of fact, suggestions for improving the structure of the options, and any further evidence you would like to offer in support of your recommended program.

I would appreciate receiving these comments by the opening of business on July 14. We will be relying upon them in forming our final revisions of the package and our recommendations to the DCI.

Deputy to the DCI for
Resource Management

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Attachments:
As Stated

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Alternative 2: Direct the DOE, in consultation with RMS, to reconsider its definition of intelligence personnel, and submit a revised Program by 15 September 1978 in its FY 1980 Budget submission that allocates personnel among the three other Decision Units.

This alternative would result in an agreed-on, defensible Program for manpower resources, a program about which the DCI could make more effective decisions and fulfill his budgetary responsibilities.

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DOE - INTELLIGENCE PRODUCTION

ISSUE: What funding by DOE for intelligence production on nuclear proliferation and Soviet weapons analysis is appropriate to support the Secretary of Energy?

BACKGROUND: Executive Order 12036, Section 1-1302, states that the Secretary (DOE) shall:

"Produce and disseminate foreign intelligence necessary for the Secretary's responsibilities."

The Secretary has responsibilities for energy, nuclear material export control, and nuclear test ban monitoring.

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ALTERNATIVES:

Alternative 1: Approve decision package rankings that would result in funding at the current levels for the Defense Intelligence and Analytical Support Decision units which include intelligence production for nuclear proliferation and Soviet weapons analysis.

Alternative 2: Approve decision package rankings that would result in funding at the current level for the Analytical Support Decision Unit and the Enhanced 2 package for Defense Intelligence.

Alternative 3: Direct DOE to review its FY 1980 program submission and retain only those intelligence production activities directly supportive of the Secretary and not covered adequately by other members of the Intelligence Community.

Selection of either Alternative 1 or 2, i.e., approval of some funding level for the intelligence production proposed, would in effect sanction the expansion of DOE into these two areas. This would (1) put DOE more into competition with other Intelligence Community members for services of the national laboratories (which by E.O. 12036 are to be made available to them) and (2) put DOE into national intelligence production in areas primarily the responsibility of CIA and DIA.

On the other hand, selection of Alternative 3, i.e., close review of the program, would serve to ensure that DOE is not straying into unwarranted expansion of its intelligence production activities. DOE's intelligence contribution would be greatest if focused on providing for the Intelligence Community in areas where it has particular expertise. With regard to intelligence production, it should make its requirements known to the Intelligence Community.

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July 14, 1978

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MEMORANDUM FOR:

FROM:



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I've given some more thought to your question about what kind of staff work over the weekend would be helpful. Since I will be seeing Turner on Tuesday, I think it would be most valuable if I could be prepared to give him an overview of the cumulative effect of our recommended options for the NFIP. Although we will not decide finally on our recommendations until after we've digested the Program Managers' comments, we should be able to summarize our draft recommendations now. Can you please have your people put together the following:

- a graph showing the top line of the total NFIP assuming Program Managers' submissions were modified by each of our draft recommendations;
- a listing of our draft recommended options with budget impact (these can be summarized or extracted from the issue papers);
- a listing of our draft recommended options which have no immediate budget impact but do carry instructions for restructuring or for studies due in the fall.

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