

- S E C R E T

21 June 1978

MEMORANDUM FOR:
FROM :
SUBJECT : I&W Study

Attached is a second cut at an executive summary.

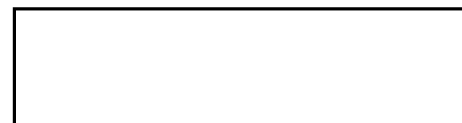


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EXECUTIVE SUMMARY

The prime function for the DCI always has to be provide warning and especially Strategic Warning. Many intelligence elements contribute to this, but the jointly manned Strategic Warning Staff (SWS) and the now vacant Special Assistant to the DCI for Strategic Warning are the only national elements clearly responsible for warning. The DCI also has been responsible for supporting the President and NSC in crises, and arrangements have evolved in CIA to do this.

This is the initial report of a joint NFAC/NITC working group that has reexamined warning and crisis management in light of the Intelligence Community reorganization. The group also directed its work toward responding to the HPSCI on Community organization for warning. This report sets a conceptual framework and then makes specific recommendations.

Current intelligence is the reporting of events, explaining their background and significance, and projecting events in the short term. Warning (small-w) is the most important mission of current intelligence and has some specialized features. Strategic Warning (big-W) is more specialized and focuses on the possibility of conflict with a major adversary.

Warning presents two major management problems. First, while it is the overriding responsibility of all line intelligence organizations, it actually takes little of their time. Thus it is hard to translate a number one priority into isolable systems. One cannot anticipate beforehand all the information needed for warning or policy making in all the situations that might take the US rapidly to crisis. For some Strategic Warning cases one can create scenarios of what the other side will likely do prior to hostilities. For the most important scenarios one them can devise and carry out collection plans against Warning indicators. However, if one tried to do so for all warning the sheer number of scenarios would become an unmanageable burden. Where and how to strike the right balances are major management problems that must be addressed often as the world changes.

Second, Strategic Warning responsibilities are shared by the DCI who is charged to give warning and by the SECDEF who is charged to defend the country implying a responsibility not to be taken by surprise. A management problem arises because the likely sequence is warning of minor war somewhere, followed by a perception that serious US interests are at stake, leading to strategic warning. As the probability rises that US forces will fight SECDEF's responsibilities demand that he focus

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more narrowly on intelligence needed to fight and win. The DCI must continue to assess the overall situation for the President and NSC. Supporting military plans and operations and supporting broader national policies and actions will compete increasingly for intelligence resources. Especially because the National Command Authority which directs military preparations includes the President and SECDEF, but not the Secretary of State and DCI, there is a danger that military considerations may dominate Presidential decisions to the exclusion of broader alternatives and that the DCI will not be aware of contemplated and ongoing US military and diplomatic actions so he can assess reactions. A critical decision in balancing these conflicting demands will come when the President is asked to shift tasking authority to SECDEF.

Although most of the elements for a warning system now exist, there are critical gaps. The one seen by the HPSCI is lack of a clear focus with lines of accountability to those existing elements. Another is that the function of regularly challenging the Community's conventional wisdom is moribund. A third is that Community line organizations are not disciplined to perform their warning function. Most of the working group's detailed recommendations seek to fill these gaps.

Broadly the group recommends designating the DDCI, who is at the point where all warning organizational threads converge, as the Community overseer of warning. It further recommends a substructure under him consisting of a permanent Community warning management committee whose executive secretary will be the Community's Senior Warning Officer. This officer will also oversee the SWS and a Warning Referent Network to provide communications channels stretching out and down to the analyst level throughout the Community.

Apart from these organizational modifications the working group recommends reaffirming that the Community line organizations bear primary responsibility for all warning. In particular, while the referent network will provide channels for warning based on an analyst's or collector's first look, the NIOs will have explicit responsibility for second look warning in their areas; they will execute this partly by conducting a Community warning review of potential trouble spots in their areas at least monthly. Further, the NIOs SP, CF and USSR-EE (with occasional NIO China & EAP help) will constitute an advisory board for the SWS to advise on its work program and to participate in the SWS' findings when required.

As a third line of defense the working group proposes that the new management mechanisms intrude into substance to the extent that the committee will serve ad hoc as a court of appeal for an agency that feels a critical situation is being neglected and the Senior Warning Officer will be the Community ombudsman for warning, open to maverick views, thinking ominously and generally promoting a "second look" philosophy.

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The working group also recommends reviving the Alert Memorandum, a mechanism which has fallen into disuse, as the means the DCI uses to galvanize both the Community and policymakers. It also recommends that the SWS charter and membership be broadened somewhat, and that its utility be reexamined after a test period under a new modus operandi.

There is a continuum stretching from routine current intelligence to urgent strategic warning with increasingly close collection-analysis links as one moves along the scale. Somewhere along it, surely no later than issuing strategic warning, national authorities will see themselves as in a crisis. Although the Administration has not confronted a crisis experience suggests that, at whatever point it sees the US as threatened, it will expect the DCI to participate and advise in frequent NSC and SCC meetings, to direct or coordinate Community actions in preparing situation reports, providing data and assessments, and adjusting collection, and to conduct paramilitary or political action operations. These will be the DCI's crisis management tasks.

Adjusting collection and conducting covert actions, however important, will be ad hoc and sporadic demands on the DCI's time. On the other hand, providing reports, data and assessments, and participating in meetings (both to advise and to learn what policymakers are thinking and doing) will be continuous every hour of every day.

The working group's recommendations for DCI crisis management arrangements are exemplified by the Horn of Africa Working Group arrangements. More generally they are based on the fact that in crisis the DCI needs:

- Immediate access to the President and White House Situation Room
- Close and continuous contact with his analytic task force
- Close contact with NITC
- Ability to draw on the SWS in the NMIC
- Operational information originating in State and the NMCC

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The DCI's day will be built around attending meetings there, preparing for them and on tasks arising out of them. The DCI's need to be readily available to the President and NSC must be balanced against his need to keep close contact with his analysts and, to a lesser extent, with his collection tasking officers. Following from this basic recommendation, the group recommends provision of secure communications and conference facilities, including at least voice, teleprinter and facsimile, [REDACTED] 25X1

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In addition the working group recommends that in a crisis the DCI designate the NIO (with the NITO's assistance) as his principal task officer. He should also establish at Langley a NFAC task force to support himself and use it to issue DCI Situation Reports. The DCI's major substantive support must be from this task force made up of people who will be familiar with his style. This task force must be at Langley because it is only the tip of an iceberg which may well include hundreds of professional and clerical people. DIA analysts will be too torn among OSD, JCS and U&S Commanders military demands to support the DCI's broader responsibilities. The task force should have liaison officers from State and Defense, with secure communications, to link the task force with their departments and to provide Community consultation and contributions (but not full coordination).

With respect to crisis collection tasking the working group recommends designation of the NITO as the DCI's and NIO's focal point for collection tasking during a crisis. He will:

- Ensure that national foreign intelligence requirements are translated into specific collection tasks.
- Provide tasking to collection organizations and systems.
- Resolve conflicts in tasking.
- Prepare daily reports on the status of collection systems for the DCI and for inclusion in the DCI's Situation Report if needed.
- Develop tasking on non-NFIC departments and agencies which have information collection capabilities through existing instrumentalities.
- Provide timely support to the task force concerning the status, capabilities, tasking, and yield of collection resources during the crisis.

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The working group believes that the proposed system for warning and crisis management will meet several requirements. It will be flexible as it must be because there is no way to predict how warning will come or a crisis will develop. It will have a well understood structure and explicit statements of responsibility to provide a clear focus and lines of accountability for the elements that already exist. The system will be comprehensive allowing the DCI to oversee the full range of analysis and collection. Economy requires that the system rely on existing organizations performing in a dual mode; the proposed system does this. The system must accommodate the needs of SECDEF and his military commanders; the permanent committee provides the forum in which DCI and DoD equities can be balanced, the balance remains to be struck. Finally the system provides the DCI a support apparatus, largely analytic, that is fully responsive to him.

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Once the DCI has set up the recommended management arrangements, he is in position to inform the HPSCI that he has accepted its suggestions, and he should do so. He should then charge DDCI and the committee with the other recommendations.

There are several crisis and warning topics not treated here that have gone too long unexamined. The new management machinery should take them on. They are:

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- Means for making the DCI's sitrep more comprehensive and more "national" without sacrificing timeliness.
- Integration of the efforts of NIO/SP, NIO/CF, and NIO/USSR with SWS.
- The long-term future of SWS.
- The DCI's responsibilities to the U&S Commands.
- The DCI role in wartime.

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