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THE DEPUTY SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

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20 APR 1974

The Honorable William E. Colby  
Director of Central Intelligence  
Washington, D. C. 20505

Dear Bill:

(U) In your letter of March 9th, you requested concurrence and comments of the members of NSCIC on the Key Intelligence Questions (KIQs). I share your objective of developing a good management tool (1) for the allocation of intelligence resources against high priority questions and (2) for measuring the effectiveness of the intelligence community. Although I support the KIQ process and evaluation system in principal, I believe that the specific KIQs for FY 1974 submitted to the NSCIC lack the precision needed for effective resource allocation and performance evaluation. As we proceed in the next few months to define the KIQs for FY 1975, I think we should make the questions as specific as possible for both guidance and evaluation purposes.

(S) In preparing the intelligence questions I forwarded to you in December 1973 we endeavored to be as specific as possible and to limit them to issues where a really good report would demonstrably influence policies or decisions of the Department of Defense. In the list of key intelligence questions which you have circulated for approval by the NSCIC, some questions of importance to the Department of Defense were not included or were subsumed within more general phrasing. For example, specific emphasis on Soviet perceptions of U. S. objectives in NATO, the Middle East, and SALT was broadened to a question on Soviet conceptions of U. S. objectives in detente. The specific question of the Soviet estimate of the CEP of their ICBMs relates to our ability to estimate the intended uses of their strategic offensive forces and this question was not included in the KIQ list although it was indirectly included by reference to hard target capability. In the general purpose forces area, two noteworthy changes were: (1) the deletion of specific questions about anti-ship cruise missiles, and (2) the rephrasing of a question about whether the Soviets are storing nuclear weapons in Eastern Europe, and, if so, in what quantities and

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where, to a question of whether storage depots in that area are available. (We know that storage depots are available, we need to know what is in them.)

(U) Finally, it seems to me that three cautionary notes should be sounded to insure the usefulness of the KIQ process for future resource allocation in DoD. First, to be an effective management tool, the number of questions should be severely limited. Second, in order for the DoD budgetary process to support agreed on high priority intelligence questions, we should endeavor to see that these questions provide a timely input at key points in the Annual DoD Budget Review. Third, Defense Department intelligence resources, of course, serve important departmental needs and missions which may not be reflected in a restricted list of KIQs and we, of course, must retain the flexibility to reallocate resources as essential departmental requirements develop. For example we keep current a set of critical near term defense intelligence objectives to meet internal defense requirements. Therefore, the KIQ process should not be regarded as a comprehensive basis for recommending resource allocations. We do not feel that these practical considerations are serious problems in the process you are developing and I know you have them in mind.

*Contradicts  
thought of the  
previous para.*

(U) We support your efforts in this direction and will be pleased to continue to work with you in the development of a meaningful Key Intelligence Questions process. This process should include an effective procedure for measuring consumer satisfaction. This would be beneficial to institute as soon as possible.

Sincerely,

*Bill Clements*

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