

ROUTING AND RECORD SHEET

SUBJECT: (Optional) NNBIS Coordinating Board Meeting on 14 December 1984

FROM:
A/NIO/Narcotics

EXTENSION

NO.

NIC #07023-84

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DATE

17 December 1984

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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The Director of Central Intelligence
Washington, D.C. 20505

NIC #07023-84
17 December 1984

National Intelligence Council

MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA: Herbert E. Meyer *HBM*
Vice Chairman, National Intelligence Council

FROM: [redacted]
Assistant National Intelligence Officer for Narcotics

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SUBJECT: NNBIS Coordinating Board Meeting on 14 December 1984

1. The Coordinating Board met to consider the revised draft of the Joint Surveillance Committee (JSC) Report. Admiral Murphy began the meeting by stating that he was pleased with the report and wanted to present it to the Executive Board on 19 December so that decisions to implement the report's recommendations would be in step with the January budget cycle. Admiral Murphy then asked Nick Showengerdt, NNBIS Staff Director, to review the content of the revised report. These are highlights of Nick's briefing:

-- Based on Executive Board decisions on 9 August, a chapter has been added to the report which provides a synopsis of three contract studies initiated by Treasury: [redacted] study of interdiction assets and the roles of agencies involved in air interdiction; [redacted] study to define requirements and develop an acquisition plan for a ground-based command and control system to support Customs air operations; and Navy's operational assessment of the P-3A for Customs.

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-- [redacted] study is complete, results of [redacted] study are expected in March, and the P-3A evaluation still has a way to go. The specific JSC recommendations included in the revised draft have been amended to reflect study results available to date.

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- Also added to the report are tables that list costs and relative cost efficiencies of individual detection and surveillance assets; cost figures for each of the four enhancement policy options included in the report; and data on the relative capabilities and effectiveness of individual surveillance and detection systems against air and maritime targets.
- The JSC believes that all conclusions included in the initial draft of the report remain valid.
- The JSC continues to recommend a policy option that would provide an enhancement package ensuring sufficient additional detection assets to increase the air interdiction rate to between 30 and 40 percent of estimated smuggling aircraft, with an interdiction/apprehension mix capable of achieving a 20 percent pilot apprehension rate. Increased assets in this package, which is listed as Option C in the report, also would significantly enhance maritime enforcement capabilities. This policy option has a price tag of \$677.2 million in acquisition costs and \$132.7 million in operating costs.
- Whatever policy the Executive Board decides to pursue, the JSC still recommends that there be no change in the responsibilities of individual agencies. NNBIS would ensure interagency coordination during the acquisition process.

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2. Admiral Murphy then called for discussion of the revised report. From this point on, the pressure of budget constraints was pervasive. Here are the main points raised during the discussion:

- Assistant Secretary of Treasury, John Walker, noted that the acquisition costs for the enhancement packages in the report did not include substantial R&D costs that must be addressed. Treasury agreed with the concept of better surveillance and detection but questioned the level at which we should begin. Walker pointed out that Customs' share of the recommended policy option would be about \$219 million; that was more than Treasury's budget could handle.

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- The JSC was mandated to focus its report on the air threat. Treasury felt that since trafficking modes obviously would change to adjust to our increased air interdiction capabilities, we should plan for that too. Since we know very little about these potential modal shifts, Walker felt we should set our initial enhancement sights much lower.
- Treasury has just completed its own study which recommends an enhancement package costing \$99 million in acquisition costs and \$44 million in recurring costs.
- Admiral Murphy asked for details on the Treasury plan, but Walker said he couldn't provide them because the results of the Treasury study had just come in. Murphy then said we should look at Treasury's analysis and compare its proposal to overall NNBIS needs.
- OMB reiterated concern about future changes in trafficking patterns that have not been addressed. OMB warned that the Coordinating Board should not get itself in an "option box" it clearly can't afford.

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3. It was clear that Treasury's announcement of an alternate proposal to those included in the JSC Report had taken some of the wind out of Admiral Murphy's sails. He said he still felt the Coordinating Board should "lay its cards on the table and tell our bosses what we think makes sense," regardless of cost. He noted that all we were trying to do is give the Executive Board the full spectrum of choices; the Executive Board has no authority to tell individual agencies how to spend money. But based on what he had heard from the Coordinating Board, he wondered if he was premature in going forward to the Executive Board with the JSC Report.

4. Admiral Murphy concluded the meeting by saying that the manner in which policy options are presented to the Executive Board obviously has become more important in view of budget and other considerations raised at the meeting. He asked attendees to give him a call on 17 or 18 December with specific suggestions on how to take the JCS Report forward. He said that while there were problems with the report, it should not be discarded.

3

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5. Especially in view of the current budget climate, it seems that there is a more fundamental question regarding enhanced narcotics initiatives that was not fully addressed by the Coordinating Board. That is: given the entire gambit of possible narcotics control enhancements, does front loading a sizeable investment in surveillance and detection really make sense? For example, a case can be made for investing in more enforcement personnel or increased intelligence and operational capabilities to disrupt the trafficking infrastructure and production capabilities in source areas. The JSC was not mandated to consider such tradeoffs, but perhaps they should be discussed by the Executive Board.

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Attachment: Joint Surveillance Committee Report

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