

19 November 1981

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM : Robert M. Gates

SUBJECT : Improving the Quality of Intelligence

Now that you have seen NFAC's program (Tab A) for improving the quality of analysis, you may find my ideas on this subject of interest.

I have written you in some detail on several occasions my perceptions of the problems of analysis in NFAC. One of these papers you converted into a memorandum to John when he was first appointed. I would summarize those problems in three words: stagnation, isolation, and arrogance.

- Analysts become stagnant when they are not required to question their assumptions and make those assumptions explicit; when they spend too much time behind a desk talking to the same people day in and day out; and when there is no premium on quality production. As one of my mentors once said, "Being wrong never prevented anyone in CIA from being promoted."
- Analysts are isolated when their contacts with the outside world are too limited and they have too little idea of what other agencies and other authorities are thinking about their subject. They are too isolated when they cannot read the language of the country on which they work or when they have not traveled in that country or have no outside experience.
- Analysts are too arrogant when they assume that other intelligence agencies have little if anything to offer; when they reject outside criticism as being uninformed; and when they and their supervisors refuse to acknowledge that serious errors have been made in the past--sufficiently serious as to shake the confidence of a less smug group of people.

Serious remedies to these problems have been shunned for years perhaps because many managers had no idea how to correct the problems even if they recognized them and because there has developed in the analytical directorate a preoccupation with protecting the sensitivities of the analysts from criticism (or influence from the policymaker) that might dampen morale.

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The NFAC reorganization has been beneficial both in terms of reducing bureaucratic obstacles to better analysis and in providing the proper foundation for significantly improved cross-fertilization and multidisciplinary work among previously isolated political, economic and military analysts. Nevertheless, the reorganization has left untouched the above-stated three problems and others importantly affecting quality of analysis. What follows is my notion of specific steps that can and should be done to get at these problems:

1. Rotations to Policy Agencies: I would require that any intelligence analyst serve a minimum of a one-year tour in a policy agency or consumer of CIA analysis before being promoted to division chief (supergrade). These rotations, at a rate of perhaps six to eight a year initially, would be to policy desks at State (not INR), Defense/ISA or elsewhere in OSD, the NSC Staff, Commerce, Treasury, the Congress and perhaps other intelligence organizations as well. By way of analogy, we have a large number of people in NFAC charged with designing and building cars who have never seen one, ridden in one, or driven one. The results show it. A better understanding on the part of senior managers in NFAC of how the policy process works and how CIA intelligence analysis is used is essential to improving the quality and responsiveness of our product. For division chiefs already in place without this experience, further promotion would depend upon their acquiring it.

2. Research Programs: It is evident that there is still too much "bottom-up" preparation of NFAC's research program. Too many marginal or simply "nice-to-have" reports are being prepared and too much analysis is being prepared for other analysts, thereby creating a shortage of resources to address the really important questions. I would require that the research programs of each of the offices be vetted by the regional office chief with the appropriate Assistant Secretary of State or Deputy Assistant/ISA, as well as appropriate NSC Staff officers and others in the government (including the DDO division chief) at the same level to get their reading on the value of the proposed work. In each office's proposed research program, I would require a brief review of research on the same subject area being undertaken in the other intelligence analysis units of the Community. I believe there are a significant number of areas where competitive analysis is not necessary and where work done by DIA or INR or others could usefully stand on its own without CIA devoting the resources to duplicating it. That one would go down hard but I believe it has merit. Finally, I believe you both should have an opportunity to review the main elements of the research program. No one brings a better perspective or understanding of the limited resources available to the analytical problem than the DCI and DDCI. I would still make considerable allowance for the self-initiated paper that was relevant or which addressed a prospective problem or crisis that has not yet come up on the policymakers' horizon.

3. Training: Training is needed at two levels. For the analyst as described above, there is a need not only to improve analytical skills and knowledge of the subject country or area, but also a better understanding of how policymaking is done, how research programs are planned, and how these things are done in other agencies. Analysts' skills must be refreshed. There is a tendency in NFAC to do this with extremely expensive year-long sabbaticals to distant schools of high reputation. I place a greater premium on an analyst being required every year or two to take one or two courses in their field of specialization at Agency expense

at metropolitan D. C. universities. Many such courses are available and many are of high quality. The Agency could support this with relatively little cost. There also is a need to train managers, not in the sense of traditional management skills, but as they rise to positions of responsibility more detailed knowledge of how the other elements of the Agency and Intelligence Community work, how the policymaking system works, how we relate to Congress, and so forth is required. A considerable revamping of NFAC's training program probably is needed.

4. Promotions: One way to improve the quality of intelligence is to make it clear to every analyst that his promotion depends on the quality of the analytical work he does. His interpersonal skills, his ability to coordinate smoothly, how he gets along with his branch chief, and so forth would not have the high priority they have now. Instead, the primary requirement for promotion would be to demonstrate a consistent record of quality analysis and accurate analysis. A list of an analyst's production and copies of that production should accompany any recommendation for promotion beyond the grade of GS-11. All members of a promotion panel would be required to review that production and greater weight to production would be given than to any other factor, perhaps 50 to 60 percent. (No NFAC office keeps a file of its analysts' work so that a manager could review it to assess in toto how accurate an analyst is, whether he is improving or getting worse, or otherwise make a judgment on the skill for which he is paid--analysis. That should be remedied immediately.)

5. Evaluation: NFAC has no internal evaluation process worthy of the name. The Senior Review Panel does not bring the urgency or the energy to the task of evaluation, even if they had the charter to undertake it. I believe a small in-house evaluation office should be established, perhaps headed by an energetic outsider with a reputation as a critic of CIA analysis, and with a fairly broad charter to examine and evaluate virtually any product of the Directorate and provide its views directly to the D/NFAC. Its evaluations would go into an analyst's production file.

The above five areas are the most important and should have top priority. There are, however, a number of additional steps that would help improve analysis and/or help ensure that resources were better managed:

-- Getting Up and Getting Out: An analyst too long stuck behind a desk is a serious enemy of quality intelligence. It is essential that our analysts spend more time developing contacts on the outside and benefitting from outsiders' experience and views. NFAC should develop both on an office basis and on a directorate basis a much more aggressive program of contacts, conferences and seminars on important subjects. By the same token, analysts need to take greater part in academic and business conferences on relevant topics. Incentives should be created to promote this. Finally, of course, I would continue and try to

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-- Language: Too many analysts do not speak the language of the country or countries on which they work. For example, I am told NFAC has one analyst

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who has Polish; it has no analysts who read Bulgarian. This lack of a language capability is important in its own right but also is symbolic of a broader problem--the fact that in a variety of areas people with the requisite knowledge of the culture and society of the country on which they work is very thin. A long-range program needs to be undertaken to remedy this. A large part of it is the proper targeting of recruitment efforts to get people with those specific skills.

-- Provocation: Changes need to be built into the system to ensure the questioning of assumptions. NFAC papers need to be shared more widely with the DDO--particularly at higher levels of the DDO--as well as with other elements of the Intelligence Community (even though they will remain NFAC products). NFAC also needs to take steps to hire a smattering of good, provocative analysts who can be brought in as lateral entries to spice the intellectual stew. Finally, certain important papers might usefully be shared with contractors for review or serve as the subject of seminars with a group of outside experts who have been asked in to review the paper and offer their thoughts.

-- IC Work: If the Director of NFAC is to remain the Deputy Director for National Foreign Assessment, he needs to shoulder additional responsibilities for keeping track of analytical work underway in the Community. The DDNFA (and through him the DCI) cannot shirk responsibility for having information on where the Community's analytical assets are targeted. He ought to know not only how many analysts are addressing what subjects in CIA, but also in other agencies. Thus, if the Director were asked what resources in the Community were devoted to the balance of forces in Korea, this information could be provided without having to query each agency individually. The circulation of such a compendium also should help all agencies target their own resources better and avoid duplication.

-- Future Probabilities: As Bill Colby wrote in his recent Studies in Intelligence article, we need to develop a capability to step beyond ordinary analysis through new techniques to project future probabilities rather than explain the past. There have been experiments with a variety of techniques in this new discipline, but greater attention needs to be devoted to refining and improving them in the search for a better system. (See the excerpt from Colby's article at Tab B.)

-- Defining Likelihood: Over the years there have been a number of debates over the meaning of terms like "probably," "likely," "almost certainly," "on balance," and so forth. Our estimates in 1962 said that "on balance, the Soviets will not put missiles into Cuba." As Dick Betts has pointed out, the policymaker would have a very different view of a prognosis if it stated that the odds were 60:40 that the Soviets would not undertake that step. DIA has worked with this kind of an approach off and on over the years. I think there is some merit to it, in the sense that it requires an analyst to define a little bit more closely just what odds he really has in mind when he blithely applies one of the above terms. I would be inclined to move in this direction, at least on an experimental basis.


-- Bibliographies: The life on an intelligence research paper or assessment is a short one. In part this is because we publish so many reports that

analysts and policymakers alike lose track. The fact is that there is a wealth of intelligence research on the shelves, most of which has not been touched in years, but which still has great value. I believe the Office of Current Reference in NFAC should begin preparing bibliographies of intelligence work prepared over a five-year period on a range of countries and subjects. Most of this is on computer; I cannot imagine it would require any enormous application of resources. Once the bibliographies for NFAC were done, we might take a look at doing something on a Community basis as an overall service. In any event, these bibliographies would be circulated fairly widely among senior staffs and other analysts, including our own, because in many instances new papers are requested on subjects where analysis done a year or two ago is still perfectly valid. This could help protect scarce resources for addressing new subjects.

-- Global Issues: Steps should be taken to reconstitute in this office work that had been started on instability, and which now has faltered with dispersal of the analysts to various regional offices. As we look at the past six years and the years ahead, the lack of anyone working on insurgency--its causes, character, weaknesses, and support--is a scandal. Two or three good people need to be assigned to this immediately. In cases of both instability and insurgency, the Office of Global Issues should offer a core group to track the problem generally and work with the regional specialists in other offices.

These comprise my first cut at a specific program for improving the quality of intelligence. While most of these ideas are ones that I have developed over the past ten years or so, I freely acknowledge that I also have drawn on the Heritage Foundation Report; Leo Cherne's December 1976 PFIAB report; articles in Studies in Intelligence by Bill Colby, Tom Lattimer, Dick Betts and others; and a variety of other evaluations of CIA's analysis. You probably will have additional ideas as well, which would be welcome. None of my proposals require reorganization. None require substantial additional resources. Few will be popular. Any effort to implement them will need to be preceded by an educational program designed to try to break through the shell of arrogance and smugness that NFAC is highly esteemed and its work widely respected throughout the policy-making arena and on the Hill. I envision a series of officials, beginning with the two of you, who would come and speak frankly for 15 to 30 minutes with the office chiefs outlining your overall dissatisfaction and problem with NFAC research and analysis. I would probably try to enlist to do likewise former officials like Brzezinski, perhaps Dick Holbrook so that the office chiefs would not think I was stacking the deck with "hardliners," and others who submitted thoughtful responses to NFAC's survey of consumers in the last Administration. You might also reach back to the Ford Administration for some officials and perhaps some of your colleagues from the earlier incarnation of the PFIAB. I do believe, however, that a series of such presentations is required to at least get the attention of the office chiefs and lay the basis of credibility for any serious, broad program to address the quality of analysis.

A final thought. Many of these present NFAC managers would probably tell you that they are implemented in some manner or another. What is required, however, is not exhortation or "emphasis" but concrete programs and specific requirements in areas such as promotion, rotation, evaluation and so forth. Without such requirements, such a program will have little real effect.


Robert M. Gates