



CENTER *for the* STUDY of INTELLIGENCE

9/11

Rathny -

I am returning Casper's briefing book
from the 1981 transition. Helgeson
used it in his book. I'm not sure
where it came from, but it is obviously
a DCI record.



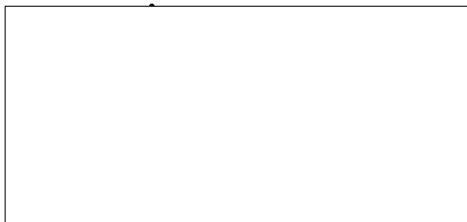
STAT

Declassified in Part - Sanitized Copy Approved for Release 2013/09/11 :
CIA-RDP90G01353R001500230001-4 ^{Call}

4.

This book was prepared by the Transition Team
for Mr. Casey's use. We have no further need for
it and thought it might be of some interest to you.
You may retain or destroy.

STAT

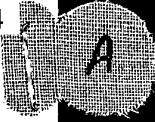


He has not seen it.

Date 1/29/81

Declassified in Part - Sanitized Copy Approved for Release 2013/09/11 :
CIA-RDP90G01353R001500230001-4

Role of the Director of Central Intelligence 1947-1977	Tab A
Evolution of the Intelligence Community Staff 1960-1980	Tab B
Organization Under Executive Order 12036	Tab C
Budget Management	Tab D
DCI Functions	Tab E
Organization Under Old Executive Order 11905	Tab F



THE ROLE OF THE DIRECTOR OF CENTRAL INTELLIGENCE
1947-1977

INTRODUCTION

It has been thirty years since the founding of the Central Intelligence Agency, which was formed to coordinate the entire U.S. foreign intelligence effort. Those years have been marked by uneven but sustained progress toward effective coordination of the U.S. Intelligence Community. U.S. foreign intelligence has passed many milestones, and the one most recently achieved, explicit in Executive Order 12036, "United States Intelligence Activities," represents an important advance toward that goal.

This paper explains the significance of the changes directed by President Carter in an historical perspective. It traces the evolution of the Intelligence Community, pointing out the managerial problems which have evolved with it, particularly those related to the division of responsibility between the Director of Central Intelligence and the Secretary of Defense. It is, in part, a chronology; but more than that, by focusing on the more recent past, it illuminates the fundamental problems which have given rise to President Carter's decisions of 4 August 1977.

The President has made major decisions which impact significantly upon the future of American foreign intelligence. This paper tells how it happened, and what it may mean for the future.

Reorganization 1977

On 4 August 1977 President Carter announced a number of major decisions designed to effect needed changes while retaining the structural continuity of the Intelligence Community. The purpose of these changes was to provide for strong direction by the President and the National Security Council (NSC), and to centralize the most critical national intelligence management functions under the Director of Central Intelligence (DCI). The reorganization built on the experience of the past by strengthening the roles of both the NSC system and the DCI. Changes were designed to enhance responsiveness to both the intelligence requirements of major national-level consumers and the operational needs of Federal departments and the military services.

The innovative highlights of the recent reorganization included the following:

- o For the first time, major consumers of intelligence were charged to formulate their own substantive intelligence requirements and consolidate these through formal mechanisms under the aegis of the DCI, thus ensuring that real needs would drive the intelligence process, and that technology would be a responder to and not an initiator of intelligence requirements.

- o For the first time, the DCI was given full and exclusive development and approval authority for the National Foreign Intelligence Program budget prior to its normal submission to the President and to Congress, thus establishing central direction, control and cohesiveness of this critical national management responsibility.
- o For the first time, the DCI was formally identified as having sole peacetime responsibility and full authority for translating national intelligence requirements and priorities into specific intelligence collection objectives and targets, and for assigning these to collection organizations whether or not they are under his direct line control, this to be achieved through a newly instituted, jointly manned National Intelligence Tasking Center.

Additional aspects of the reorganization are addressed in a Presidential Executive Order, which recognizes inter alia that:

- o Those staff elements of the Office of the DCI that support execution of the DCI's Community responsibilities should themselves be considered among the organizations which comprise the Intelligence Community. This concept bolsters the sense of

"community" which is essential to the continuity of effort of the many disparate components which contribute to the nation's intelligence arm.

- o The NSC's Policy Review Committee (see pages 34-35) must define and set forth substantive requirements for national foreign intelligence, and must establish appropriate priorities for those requirements. Because the PRC is composed of the DCI; Secretaries of State, Defense, and Treasury; Assistant to the President for National Security Affairs; Chairman of the Joint Chiefs of Staff; and others as deemed appropriate, this PRC mission will help ensure that intelligence requirements are articulated and assessed at the highest levels of Government, which in turn will strengthen direction of the nation's intelligence effort.
- o The DCI shall have full and exclusive authority for reprogramming National Foreign Intelligence Program funds, but only after consultation with the head of the department affected and, of course, in accordance with congressional guidelines. This, combined with the DCI's budget approval authority, further assists the central direction and cohesiveness, necessary for the overall management of intelligence.

- o The National Intelligence Tasking Center under direction of the DCI shall be established as the central mechanism for coordinating and tasking intelligence collection activities. This step recognizes that the prioritized collection requirements set forth by the NSC's Policy Review Committee must be dealt with by the Intelligence Community through an orderly and logical process.
- o Senior officials of the Intelligence Community, in discharging their separate duties and responsibilities, must make appropriate use of the capabilities of other elements of the Community in order to achieve maximum efficiency and assist other departments and agencies in the Community. This direction, by the President of the United States, tends to cement the separate blocks of intelligence into a coordinated Community institution.

These measures, now set forth in Executive Order 12036, were taken to help close a critical gap--which has been widening over a period of many years--between the growing responsibilities assigned to the nation's senior intelligence officer and his authority to fulfill those responsibilities. The gap was an outgrowth of the unique historical structure of intelligence organizations in this country,

which has evolved as an amorphous grouping of departmental and other organizational entities which--while functionally and purposely different--share some concern with "intelligence" as a single common denominator.

The gap between responsibility and authority has now been narrowed. The Intelligence Community seems postured, perhaps better than ever before, to deal now and in the future with the dynamics of an everchanging global environment in fulfilling the vital function of producing excellent intelligence. The following pages trace the evolution of the Intelligence Community, keying on the most important policy implications in the periods of transition.

The Early Years

The concept of an Intelligence Community has existed in this country since before World War II, but the Community of today bears little resemblance to its pre-war predecessor. In the 1930's there was little recognition of a need for a unified national intelligence effort. By 1939 representatives from the Departments of Agriculture, Commerce, and the Interior were assigned overseas with US embassies as attaches, with their reports funneling back through the State Department, but in no sense were their activities viewed as "intelligence" collection. Military and naval attaches, who had responsibilities for collection of information of intelligence value, reported directly to their respective departments. In Washington the Departments of State, War and Navy and the FBI constituted the entirety of the Community, but there was very little coordination of effort among them.

The necessity for a coordinated intelligence effort was recognized during World War II and gave rise to the formation of the Office of Strategic Services (OSS). In 1941, General William Donovan, who enjoyed a special relationship with the President, proposed the creation of a service of strategic information in the United States, reasoning that strategy was highly dependent upon good information and that collection of information at the national level had no purpose other than to support strategy development. He passed his views

to President Roosevelt, thus laying the basis for the instrument of government which eventually became the Central Intelligence Agency (CIA).

While the OSS was conceived as a wartime expedient, it provided the earliest nucleus around which the modern Intelligence Community evolved. But the OSS labored aborning. Donovan was first appointed Coordinator of Strategic Information, directly responsible to the President. The concept called for the Coordinator to have an advisory panel consisting of the Director of the Federal Bureau of Investigation (FBI), the heads of the Army and Navy intelligence services, and corresponding officials from other Departments concerned. This appointment aroused much opposition from the military services, and the word "strategic" had to be eliminated from Donovan's title in deference to the statutory responsibilities of the military and naval advisors to the President.

But the opposition was not focused only on terminology. The entire concept of centralization of responsibility for "information" was perceived as a threat to the influence and authority of the military. The military reaction is important in historical perspective as it has survived the decades since World War II in one form or another complicating relationships between the services and the Director of Central Intelligence.

The war years were marked by a number of changing missions and shifting relationships among intelligence entities in the Executive Branch. The OSS succeeded the Coordinator of

Information and was placed under the Joint Chiefs of Staff (JCS). The Foreign Information Service and its broadcasting and listening facilities were assigned to the Office of War Information. The military services, fearful of security leaks, often felt constrained in releasing intelligence reports and the results of radio intercepts to the OSS. The OSS felt that its ability was impaired because its undercover agents abroad were often denied necessary intelligence and because at home it frequently enjoyed less than full access to information needed for the conduct of strategic studies. The JCS created regional joint intelligence collection committees in some theaters for assembly of material and reference to Washington. The cooperation of military and civilian agencies should have helped the OSS, but in practice it threatened the exposure of OSS agents and delayed the reporting of their material at assembly points overseas. The JCS Joint Intelligence Committee functioned in Washington throughout these years to synthesize military departmental intelligence on the strategic level. The State Department saw a need to establish its own Office of Foreign Intelligence to provide a central place for coordination with other government agencies and with its own functional and geographic divisions. The Joint Intelligence Committee developed a plan providing for a National Intelligence Authority comprised of the Secretaries of State, War, Navy and a JCS representative.

Throughout this period of pulling and pushing of intelligence organizations to meet the needs of a nation at war, there was slowly evolving a concern for the nation's new responsibilities in peace and, in this context, an adequate intelligence system. Proposals came from all quarters of the Executive--OSS, JCS, the military departments, State and even the Budget Bureau. The basis for all these proposals stemmed from the potential spread of atomic weapons, the spectre of a powerful and ambitious Soviet Union in the post-war period, and the likelihood of new diplomatic and political pressures in the aftermath of a war which would re-shape much of the world.

In 1945 President Truman directed the Secretary of State to take the lead in developing the program for a comprehensive and coordinated foreign intelligence system. OSS was disestablished. The JCS reviewed the earlier plan for a National Intelligence Authority. Army and Navy committees were trying to reconcile their differences and find common ground for a single Defense Department and central intelligence service. A variety of schemes evolved, tripped over bureaucratic issues, and fell short of the ultimate objective of the many who sought to provide for a central and coordinated intelligence service.

Navy Secretary Forrestal appointed Ferdinand Eberstadt to explore the merger of the War and Navy Departments. Recognizing that scientific advances and changed conditions of warfare increased American military and political commitments, Eberstadt recommended: organization of the military into

three coordinated departments--Army, Navy, Air; the close association of these with the State Department in a National Security Council; and the establishment of a central intelligence agency to support authoritative information about the outside world (Admiral Souers, later to become the first Director of Central Intelligence, wrote the intelligence portion of this plan). These features of the Eberstadt plan may be readily recognized as principal measures of the National Security Act of 1947.

On 22 January 1946, President Truman established a National Intelligence Authority and a new agency of the Authority named the Central Intelligence Group (CIG). The CIG was an extension of the Departments of State, War and Navy and was manned and funded by them. These departmental representatives collectively formed the Group; it was an assemblage, not a unified institution. The Group was headed by the Director of Central Intelligence (DCI), but he was not one of them. The DCI was appointed by the President, answered to the National Intelligence Authority, and attended their meetings as a non-voting member.

The President also directed that an Intelligence Advisory Board, with representatives of the principal military and civilian agencies, be constituted to advise the DCI. In addition, the FBI was assigned control of security intelligence within the United States, creating a division between the CIG and FBI where without careful coordination one could easily jeopardize the security of both.

The Intelligence Advisory Board subsequently commissioned a study which led to the creation in 1947 of the CIA as an independent agency and successor to the CIG. The CIA was established in recognition of the continuing need for a U.S. foreign intelligence effort. The same legislation that created the Agency established the National Security Council, placed CIA subordinate to it, and established three separate military services within the Department of Defense.

Two years later the Central Intelligence Act of 1949 gave the CIA additional internal authority and the resources which had been determined to be necessary for it to carry out its mission. By 1952 the role of the CIA had evolved into something quite different from the CIG, the mission of which had been solely coordinative. The Agency was becoming a major intelligence production center, and was involved in both technical and clandestine collection, and in covert action.

A Presidential memorandum created the National Security Agency (NSA) in 1952. It appointed the Secretary of Defense national COMINT manager, with responsibility as Executive Agent for what became the largest single U.S. effort to collect and process intelligence data, and a substantial addition to a growing Community intelligence organizations.

The Department of Defense Reorganization Act of 1958 provided authority for the creation of separate agencies

1. The National Security Act of 1947

which might be required within DoD. Three years later, in 1961, Secretary McNamara created the Defense Intelligence Agency, responsible through the Joint Chiefs of Staff to the Secretary of Defense. Since that time the three largest constituent member agencies of the Community--in terms of manpower--have been NSA, CIA, and DIA; although the military services have retained separate integral intelligence organizations which exceed these in size. Intelligence elements of State, Treasury, the Federal Bureau of Investigation, and the Energy Research and Development Agency have comprised the balance of the Community, the latter being the successor to a smaller intelligence component of the former Atomic Energy Commission, and in turn having recently been absorbed by the newly-formed Department of Energy.

Another significant step in the evolution of the Community occurred in 1961 when President Eisenhower, by Executive Order, institutionalized the U.S. Intelligence Board (USIB) and formally established the National Photographic Interpretation Center (NPIC). In 1958 the USIB had been created through merger of the former U.S. Communications Intelligence Board and the Intelligence Advisory Committee.² This group

-
2. The U.S. Communications Intelligence Board was established in 1956 to advise and make recommendations to the Secretary of Defense on communications intelligence. State, Defense, FBI, and CIG (later CIA) had two votes; Army, Navy (and later Air Force) had one vote; the DCI, although a member, had no vote. The DCI's Intelligence Advisory Committee (IAC) was created in 1947 to coordinate intelligence requirements among Departments. Chaired by the DCI, it included representatives from State, Army, Navy, Air Force, JCS, the Atomic Energy Commission, and others the DCI might invite.

was made up of the principal members of the Community's component organizations and chaired by the DCI who was, additionally, the beneficiary of USIB's deliberations and advice in his role as the President's senior intelligence advisor. Another refinement of the USIB concept--that it be chaired by the DCI--was formalized by President Kennedy on 16 January 1962 by memorandum to DCI McCone, the same year in which NSA became a USIB member. This instruction also directed Mr. McCone to delegate the day-to-day operations of CIA to his deputy, who would also become the CIA representative to the USIB, so that the DCI could devote more of his time to Community matters. The DCI relied to a great extent upon his Deputy for Coordination to assist him in the latter role. An amalgamation of Community resources occurred when it was determined that NPIC would be jointly staffed by photointerpreters from CIA and DIA.

As successive steps were taken toward a Community which would more fully blend all departmental intelligence groups, the DCI became aware of a growing need for a supporting staff which would focus exclusively on Community concerns. In 1963, Director McCone created the National Intelligence Programs Evaluation (NIPE) Staff for this purpose and placed them under his Deputy for Coordination. This small group of 12 to 15 professionals retained its identity for nearly ten years, until it was superseded by the more extensive Intelligence Community Staff (ICS) under Director Schlesinger, as discussed later.

On 4 March 1964, the NSC revised its first formal intelligence directive, NSCID No. 1, to assign the DCI (then Admiral Raborn) primary responsibility for guiding the total U.S. intelligence effort.³ Three years later, under the leadership of DCI Richard Helms, the Intelligence Community may be said to have reached figurative maturity. Although it had been 21 years since the old CIG had been formed immediately following World War II, coordination of the Intelligence Community as an entity continued to be fraught with problems.

The Impact of World Events

As stated at the outset, this paper keys on important policy implications in periods of transition. Its focus is on internal Community coordination at the management level. To add to the significance of these matters, it is important to bear in mind--in a broad global context--the national security and foreign policy issues which drove or affected intelligence during the 1950's and 60's.

The threat of Communism worldwide, with the Soviet Union in the vanguard, was the single most-dominant concern of this nation in the 1950's. The United States was dedicated to rolling back the frontiers of Communism, with the ever-present spectre of nuclear holocaust in the background. Throughout

3. NSCID No. 1 was first issued on 12 December 1947. It established the duties and responsibilities of the DCI and prescribed the relationship between the CIA and the intelligence organizations concerning which the IAC (see footnote 2) advised him.

this period of intense Cold War, the effective coordination of U.S. intelligence activities worldwide presented enormous problems.

Soviet Premier Khrushchev had slammed down the Iron Curtain and sealed off Russian society from the eyes of an uncertain world. Concern centered on Soviet intentions, industrial capacity, nuclear capability, and general technological development. Periodic crises occurred in Berlin and elsewhere which created tensions underscoring the dominant concern over Russian capacity and willingness to wage nuclear war. Uncertainty, fed by a shortage of reliable information and great suspicion, led to the missile gap of the 1960's.

This uncertainty drove intelligence toward a more activist role at all levels. Innovative approaches to the development of collection methods were pursued with vigor, and a number of technological advances offered promise of significant improvement in the quality of the intelligence gathered and produced. The needs of high-level intelligence consumers for hard information tended to override dollar considerations during this era.

The situation began to reverse during the ^{late} 1960's as program development came to feel the increasing pinch of resource constraints imposed by competition connected with requirements to support U.S. involvement in Southeast Asia. Increasingly the DCI's coordinating role focused on the shape

and course of development of sophisticated collection programs. Running into the late 1969's, many more of these programs were terminated than continued for reasons of limited resources. The great technological advances that had been made in the previous decade; the onset of detente, marked by the beginning of strategic arms limitations talks with the USSR; and the peak of U.S. commitment to a complicated Vietnam war came together to shape and size the intelligence problem. The DCI, then Director Helms, was deeply involved in the coordination role in Intelligence Community affairs. The complex, loosely-defined Intelligence Community began to look ahead to a new era as the 1960's came to a close.

Entering the 1970's

The "Bross Report" of 20 January 1969 set the stage for the rush of events which have occurred during the 1970's. John Bross, the Director of the NIPE Staff, submitted a comprehensive report to the DCI on the organization of the CIA and the Intelligence Community. Focusing on the latter, the report addressed the Community's relationship to the DCI's coordinating responsibility under three headings:

- Coordination of the production and dissemination of substantive intelligence;
- Machinery for allocating jurisdictional responsibility among Community components; and
- Guidance and coordination for allocation and use of resources.

In the early stages of the development of the Community, it had been intended by the architect's of the intelligence system that the production agency having primary responsibility for a given subject should have as a more or less exclusive franchise the analysis and production of studies on that subject; State dealt with political topics, Defense with military topics, and so on. DCI directives (DCIDs) outlined responsibilities and division of labor. Over the years, most agencies expanded their competence and produced studies on topics outside the purview of their primary responsibility. In 1969 such departmental studies were not subject to formal Community coordination (although National Intelligence Estimates were coordinated), but the close working relationships among analysts--notably in State, Defense, and CIA--tended to ameliorate the friction and duplication which might otherwise have resulted from this condition. Further, the "USIB machinery" policed the practice adequately, and the procedures for ensuring the coordination and dissemination of finished intelligence were generally working well.

Bross said little on the subject of allocating tasks among Community components, except to note that the National Security Council was the allocating authority. But he focused on resource management, and forecast the problems of the 1970's.

The DCI's primary responsibility for resource management in 1969 was to ensure that resources used in the overall U.S. intelligence effort produced intelligence which responded, insofar as possible, to the real needs of policymakers. However, given a variety of expensive and sophisticated technical collection options, and the ability to collect enormous amounts of data--some of which was redundant or of marginal interest--and given limited numbers of operating dollars, the primary questions were how the DCI could determine how much information was enough, and how he would know whether sufficient effort was being applied against the most essential intelligence targets.

The USIB developed Priority National Intelligence Objectives (PNIOs) in an attempt to refine priorities and objectives for complex collection programs. The PNIOs helped provide the DCI's broad guidance to the Community, but lacked the directive authority that would have made their observance mandatory by all Community

elements. Similarly, no common mechanism existed for examining the totality of the three largest intelligence programs (cryptology, reconnaissance, and general Defense intelligence) which aggregated approximately 80% of the nation's intelligence dollars under the management of the Secretary of Defense. The need for a consolidated review of intelligence programs was becoming clearer.

Reasonable arguments existed which supported a concept of the three major DoD programs as discrete entities. These were based largely on the formidable review problem presented by their size and complexity. However, the NIPE Staff came to feel that Defense was less than completely responsive to the DCI's effort to guide and coordinate the total intelligence effort, and review and staffing of issues for executive committee⁴ discussion.

-
4. An executive committee was responsible for programmatic and resource review of overhead reconnaissance activities. Prior to 1971 it consisted of the President's Scientific Advisor, the DCI, and the Deputy Secretary of Defense, who was chairman. After 1971, with the creation of the position of Assistant Secretary of Defense (Intelligence), the latter became the DoD member and the DCI became chairman. The job of the President's Scientific Advisor was subsequently abolished. The committee ceased to exist following issuance of Executive Order 11905, on 18 February 1976. It had been created on 11 August 1965.

of overhead reconnaissance were difficult to accomplish for the complicated matters involved. Similarly, it was noted that DoD directives providing for the allocation of intelligence resources, for initiating program reviews, and for authorizing projects were issued before the DCI or his representatives were allowed to assess the impact which changes in allocations or levels of resources might have.

The National Intelligence Resources Board (NIRB) was created to help to solve these problems.⁵ The purpose of the NIRB was to establish bases for independent judgments by the DCI concerning the need for individual activities or programs. Not designed for routine program review, the NIRB advised the DCI on collection programs in light of cost, alternative methods, and gaps in collection coverage of critical areas and possible risks to national security. The Board was authorized to draw on all Community components to assist in its assessments. Like the USIB, it was another forum for management by negotiation, in the absence of DCI directive authority

5. The NIRB was established by Director Helms in 1968. His deputy, Admiral Taylor, was appointed chairman and other members were senior representatives from the Departments of Defense and State. DIA and NSA were excluded from membership because, as program managers, it was their resources which the NIRB would consider for trade-off and adjustment.

commensurate with the responsibilities which he was assigned. The NIRB drew on the NIPE Staff and USIB committees for program review and staffing.

The need to substantially expand and clarify the role of the DCI's Community Staff was subsequently identified in the context of the DCI's responsibility for coordination. The DCI's Deputy for Coordination and the NIPE Staff lacked authority to deal directly with either CIA resource elements and other Community components, even though the Staff existed to support the DCI in coordinating Community resources and activities. It was clear that the DCI's Community staff needed such authority, and the logic of additional roles it should perform began to be heard with greater clarity and understanding. The DCI and his advisors believed that the Community staff should support the NIRB and maintain the Target Oriented Display (a consolidated presentation of intelligence resources showing the total and certain functional categories; it was originated by the NIPE Staff.)⁶ It was also felt that it should represent the DCI in reviewing DoD and other departmental intelligence programs, that it should be

6. The Target Oriented Display is known today as the Consolidated Intelligence Resources Information System (CIRIS); it is maintained by the IC Staff.

charged to refine objectives and priorities for the overall intelligence effort, and that it should develop a long-range planning capability. Finally, there was a recognition that it should maintain a competence in systems and operations analysis and perform Community liaison functions, including support to the President's Foreign Intelligence Advisory Board (PFIAB).⁷

Key parts of the Community, Executive Branch and the Congress were beginning to comprehend the sizeable responsibility which the DCI had for programs, activities, and resources which he neither directed nor controlled.

Gathering Momentum for Change

In a letter to Director Helms on 1 November 1971,⁸ President Nixon noted the urgent need for increased efficiency in the allocation of resources devoted to the intelligence effort. The President directed changes designed to enhance the status of the DCI and to provide him with the support needed to strengthen his position as leader of the Community. He instructed the DCI to give this his primary attention and

-
7. President Eisenhower founded the President's Board of Consultants on Foreign Intelligence Activities in 1956. It was an appointive body composed of a group of private citizens who advised the President, but had no authority over the DCI or the Intelligence Community. President Kennedy renamed the group the President's Foreign Intelligence Advisory Board. It functioned as the PFIAB from 1962 until 4 May 1977, when President Carter dissolved it.
 8. A following memorandum, dated 5 November 1971, detailed the President's instructions. It is not cited here because of its restricting security classification.

to delegate as much as possible to his deputy the day-to-day management of the CIA. He further instructed the DCI, as a matter for priority attention, to plan and review all intelligence activities, including tactical intelligence and the allocation of all intelligence resources. In addition, the President directed specific management actions based on a study by the staffs of the NSC, OMB, PFIAB, the President's Science Advisor, and the Intelligence Community. They included:

- An enhanced leadership role for the DCI in planning, reviewing, coordinating, and evaluating all intelligence programs and activities, and in the production of national intelligence.
- Establishment of an NSC Intelligence Committee (NSCIC) to give direction and guidance on national intelligence needs and provide for a continuing evaluation of intelligence products; and of an NSC Net Assessment Group to evaluate all intelligence products and to produce net assessments.
- Establishment of an Intelligence Resources Advisory Committee (IRAC), chaired by the DCI and including senior members from State, Defense, OMB, and CIA, to advise the DCI on the preparation of a consolidated intelligence program budget.⁹

8. The IRAC superseded the NIRB and perpetuated the intent to provide a Community forum which would address critical intelligence resources matters.

- Retention of the USIB (naming the Deputy DCI) vice chairman) to advise and assist the DCI with respect to production of national intelligence and establishment of national intelligence requirements and priorities.

The President noted that major issues within the Community had to be addressed, with the DCI playing a major role in their resolution. He also noted that the DCI would require an increased and restructured staff to allow him to discharge his augmented responsibilities. The President recognized that these actions would not provide ultimate solutions, and stated that he expected additional changes in the Community consistent with the attainment of prescribed national objectives. The letter provided certain insight into future events. It read:

"By far the largest portion of the intelligence budget is devoted to collection. It is here that savings must be sought. Future assignments of roles and missions within the Intelligence Community cannot be made satisfactorily by compromises among agencies. The need to make some savings is so urgent that I have directed the Office of Management and Budget, jointly with the DCI and Secretary of Defense, to review the FY 1973 budget for intelligence and to submit specific reductions from current programs, with particular attention to tactical intelligence."

Reflecting these broader responsibilities, Director Helms created the Intelligence Community Staff on 1 March 1972 to deal with the Community aspects of his expanded

mission. When Dr. Schlesinger became DCI in early 1973, he reorganized the IC Staff to make it more representative of the entire Community, its having previously been manned by a preponderance of CIA officers. Emphasis on balanced staffing drawn from the military and other Community organizations has continued to the present.

Organization of the IC Staff reflected the focus of the DCI on his primary Community responsibilities. Under the leadership of the DCI's "Community Deputy," the IC Staff included:

- A Community Comptroller Group
- A Product Review Group
- A Planning and Evaluation Group
- A Data Support Group

While the Staff concentrated on Community coordination problems, the National Intelligence Officer (NIO) organization, which was created about a year later, largely replaced the previous office of National Estimates, and extended the DCI's role and presence throughout the intelligence production process. Each NIO had a specific area of geographic or topical responsibility. The NIO concept was an answer to the continuing problem of finding ways to concentrate Community resources and activities on problems of major interest to consumers without incurring the costs and dislocations of continual reorganization. The NIOs were assigned no line authority over any Community components,

but were authorized by the DCI to draw on all Community resources and charged to view their respective areas of responsibility and the Community's total performance just as the DCI would view them if he had the full time and expertise to devote to the particular subject area. ¹⁰

The restructuring of the IC Staff and the appointment of the NIOs were key steps taken toward the achievement of Community objectives. It was the later collaboration of the IC Staff and NIOs under DCI Colby's direction, for example, that led to the development of the Key Intelligence Questions (KIQs). The KIQs were the Community's response to a national requirement for a single system by which NSCIC members could specify their most important immediate intelligence needs and thereby provide definitive guidance to the DCI and to managers of national intelligence programs.

The year 1972 constituted a Community "shakedown cruise" following the White House guidance of late 1971.

10. The NIOs replaced another organizational entity which performed the estimating function. The Board of National Estimates (BNE) had been created in 1950 to provide a forum in which senior experts from outside the Community might review estimates drafted by CIA's Office of National Estimates (ONE) Staff. Over time BNE membership was dominated by senior CIA analysts, creating an insular BNE-ONE relationship and diminishing the objectivity which was its charter to provide. Director Colby abolished both the BNE and ONE and created the NIOs.

That guidance called for the DCI to develop and submit a consolidated intelligence program budget, including tactical intelligence, to OMB: The DCI's IC Staff (Community Comptroller Group), which was charged to assist the DCI in this task, quickly realized that the DCI's budget "was not going to be the controlling one in 1972."¹¹ The IC Staff thus substituted a National Intelligence Presidential Memorandum (NIPM) as a reasonable start in the direction of a substantive analysis of the national intelligence program. After a year of struggling with the development of the NIPM, however, the IC Staff reported to the DCI that, while the NIPM was a reasonably good start, it was, after all, not a budget and would not become one until the DCI and Secretary of Defense reached agreement on what was required and what was possible.

The process of development of the 1972 NIPM served to underscore the DCI's coordination problem. Nearly every working-level element in or related to the Intelligence Community became involved at one or more points in the lengthy process: The IC Staff, the USIB and USIB Committees, State CIA, the Assistant Secretary of Defense (Intelligence), the IRAC and

¹¹ IC Staff Director Bronson Tweedy memorandum to DCI, 26 February 1973, "Community Relations and DCI Impact During 1972," p. 10.

IRD&C,¹² DIA, NSA, the DDS&T, the Services, special reconnaissance offices, the NSC Staff, and the OMB Staff. Program managers were also very involved, as were the most senior officials in State, CIA and Defense. Despite thousands of hours of Community review and coordination, however, in the end the NIPM had virtually no impact on final budget decisions in Defense. From the DCI's viewpoint--tasked as he was to embrace the responsibility for allocation of intelligence resources--he found once again that the collegial management mechanisms of the Community fell short of the results that greater directive authority might have produced.

The DCI was discovering that the steps taken in 1971 to strengthen his leadership in fact served to compound his earlier problem. He had been assigned vastly greater responsibilities, but the notion that any real augmentation of his directive authority accompanied that assignment was proving illusory in 1972.

12. Intelligence Research and Development Council, then an IRAC Subcommittee designed to ensure that intelligence R&D was synchronized with overall R&D programs at DoD.

Encouraging gains were achieved in the area of maintaining the DCI's--and the Community's--favorable relations with Congress. The IC Staff developed a Congressional brief to support the DCI in his new role as spokesman for the Community. Director Helms explained that role and demonstrated to concerned Congressional committees how intelligence entities meshed to address critical intelligence priorities. Assembling this data involved the collection of information from Community elements that had not previously been available in consolidated form.

Congressional reaction indicated that at the time the DCI's presentation was the clearest view ever presented to legislators on U.S. intelligence activities, purposes, and costs. The extent of contact between the IC Staff and program managers during preparation of the briefing combined with this encouraging Congressional response to provide the DCI with considerable new leverage over Community program managers. This became more apparent in the years to follow. Important background and precedent for subsequent work within the Community had been established, and with a helpful outcome.

Another phenomenon was also emerging as a result of this activity. An era of intensified Congressional interest in Community activities was commencing. Most attribute the start of the surge of Congressional interest in intelligence

reform to Seymour Hersh of the New York Times, who, in December 1974, wrote a series of stories on CIA domestic surveillance. It is certain that these articles had great impact, but it is also certain that the impact was intensified by an already growing gap between the Congress' high level of interest in intelligence activities and its somewhat lesser knowledge and understanding of such activities. The more Congress knew, the more it wanted to know and, beginning with the DCI's new visibility on the Hill in 1972, it had been the DCI and the Community itself which had stimulated much of this interest.

While relations with Congress were changing, the DCI's difficulties multiplied with his efforts to discharge his responsibility for Community program review. His Community staff plunged into program hearings on scores of issues with officials throughout the Community. However, the success of the effort was constricted by Defense policies which limited DCI staff access to review processes within Defense. Intelligence Community elements within DoD were obliged to deal with the IC Staff through the office of the Assistant Secretary of Defense (Intelligence), thereby limiting the organizational interface and freedom of discussion. Further DCI comments and recommendations on the FY 1974 intelligence

budget received scant attention in the Office of the Secretary of Defense, and had little impact.

The Pressures for Change Continue

In a memorandum to all heads of governmental agencies on 18 April 1973, President Nixon directed the preparation of major goals and objectives to be accomplished during the year upcoming for each organization. The Director of OMB interpreted the directive to pertain to the Intelligence Community as an entity--not merely CIA--emphasizing that objectives should be clearly of Presidential significance.

In the implementation of the President's desires for "management by objective," the tone set for the Community was one of open and frank communications stressing cooperation. This derived in part from the fact that Director Schlesinger became the Secretary of Defense almost immediately following the formulation of the Community's objectives. The new Secretary of Defense (and former DCI) had envisioned a coordinated intelligence program which gave reason for the new DCI, William Colby, and his IC Staff to expect that Community interaction might be significantly different thereafter. But the accommodation--which was slight--was to be only temporary, for Mr. Schlesinger was replaced as Secretary of Defense two-and-a half years later.

Director Colby established this Community objective for
FY 1974:

Authoritative and responsible leadership for
the Community as a whole must be assured.

Toward that end, the USIB became more active as an advisory
body to the DCI than it had been in the previous year or so.
The Treasury member of USIB became a regular participant as
economic intelligence requirements increased. The ASD(I)
and the Under Secretary of the Air Force, both of whom had
large resource responsibilities for major intelligence efforts,
were invited to participate at the USIB when matters affecting
their interests were involved. Similarly, on other occasions,
the Director of the Arms Control and Disarmament Agency and the
Director of Defense Research and Engineering were to develop
active relations with USIB. Cooperation at the USIB was
apparent and important. It permitted open treatment of
consumer requirements and constructive discourse on the
implications of resource constraints. It also elicited important
substantive and procedural commentary on such matters as
the KIQs, structural adjustments to improve the family of
intelligence products, and the means to improve what was
beginning to be called the intelligence "nervous system,"
information handling for crisis management.

Also that year the Intelligence Community Staff began to focus on the need to develop resource packages showing relationships between costs and outputs. The Staff set a course for FY 1975 aimed at the development of a National Foreign Intelligence Program (NFIP) developed around a five-year projection of needs for all national activities, grouping national assets irrespective of parent agency or source of appropriation.

In a year-end report to the President in 1974, the DCI noted that the Community "requirements machinery" still needed more attention. His intention was to work through the USIB to fashion better ways of making judgments on requirements and for setting collection priorities within budgetary constraints. He noted as well that using manpower reductions as a trade-off for increasing program costs and inflationary pressures had attenuated program flexibility. In the meanwhile, there was no diminution in expectations of the DCI's leading role in the Community. A memorandum¹³ from President Ford reaffirmed his charge.

You should continue to exercise leadership in maintaining a proper balance among intelligence activities by planning and reviewing all intelligence programs and resources. Your views on intelligence activities, including tactical intelligence, should be incorporated in an annual consolidated program budget which considers the comparative effectiveness of collection programs and relative priorities among intelligence targets.

¹³ Memorandum, 9 October 1974, to DCI Colby, subject: "Leadership and Management of the US Foreign Intelligence Community."

The following year witnessed a continuation of challenges on the international scene and of programs related to investigations and public exposure of questionable practices of the past. The challenges included:

- The growth of Soviet military power;
- Crisis situations such as the fall of South Vietnam, continuing problems in the Middle East, and the Mayaguez incident;
- Forced technological improvements needed to deal with more sophisticated foreign communications;
- Loss of important overseas collection sites; and
- The impact of inflation on a dollar budget that remained relatively constant.

The Community dealt with these challenges on the substantive front while responding to four separate investigations of intelligence activities, by the Rockefeller and Murphy Commissions and by the Senate and House Select Committees on Intelligence. The investigations in turn stimulated considerable internal review of Community management, organization, and methods of resource allocation. With each study, each investigation, and each report the organizational problems of

the Community became more apparent. The Congressional investigations, coupled with an unprecedented level of criticism in the public media directed toward intelligence activities, required that major portions of the time and talent of senior personnel be devoted to activities unrelated to the production of substantive intelligence or to management of Community activities.

On 13 October 1975, Director Colby sent the President a CIA study of the organization of intelligence which he believed offered special insights into contemporary intelligence problems. The study concentrated on basic issues to be considered in a reorganization of American intelligence, recognizing a need for the structure to be made more efficient and effective. The study emphasized two points:

- First, the relationship between the DCI, who had nominal responsibility for all U.S. intelligence, and the Secretary of Defense, who had operating authority over the bulk of its assets. The study concluded that the relationship was poorly defined, to the detriment of the development of a coherent national intelligence structure.

- Second, the potential conflict of interest and resulting management ambiguity inherent in a DCI who was at once head of the Community and head of an element within the Community. The conclusion was reached that this arrangement compromised the DCI's ability to perform effectively in either role.

After reviewing a range of organizational options, the study aimed at finding a way to exercise control over the whole intelligence process while maintaining both Defense and CIA equities in intelligence matters. It addressed the possibility of replacing the DCI with two senior managers-- one for substantive matters and one for resource management-- but discarded the idea, noting the seamlessness of the intelligence process and the likelihood that such separation would damage the Community's performance in both areas. This conclusion reinforced an earlier one reached in the "Schlesinger Study" of the Intelligence Community in 1971¹⁴ --the essential need to combine responsibility for control of both substantive and resource management issues within the Community in one individual.

¹⁴ Dr. James Schlesinger, Assistant Director, OMB, 1971.

The Colby study proposed an intelligence structure with a greatly strengthened DCI. In each variant of the proposed solution the DCI became a member of the NSC, confirming his position as senior advisor to the President on major intelligence issues and increasing his stature vis-a-vis the Secretaries of State and Defense.

A Community study group was convened in late 1975 to address issues, options, and recommendations for the reorganization and management of the Intelligence Community. The study resulted in the major changes which were promulgated subsequently by Executive Order 11905 in February 1976. In the process of the study group's lengthy and detailed deliberations, certain fundamental principles of the management and control of U.S. intelligence were reaffirmed. The study noted that the 1971 Presidential Directive gave the DCI resource review responsibility for the entire Community, but provided insufficient directive or fiscal authority to enable him to meet such responsibility. Arguments were developed for centralization of intelligence functions, based upon the growing resource management task, the DCI's lack of real authority, the Community's increasing reliance upon expensive collection systems, and the need to

serve a growing range of intelligence consumers. Counter-arguments stressing unimpaired departmental authority were accorded less weight. Proponents of major organizational change believed that new institutional arrangements at the top of the Community were necessary to deal with many complex problems. Finally, the study group anticipated that the Congressional Select Committees would be making proposals for reorganization and suggested that the President would be well advised to set forth his own proposals "which could be useful as guides for Congress in its deliberations."

Director Colby recorded his own personal views of the study group's efforts in a memorandum to the Director of OMB in December 1975. Among the principles he laid down in stating his judgment of the way in which American intelligence should be structured for the future were the following:

- The DCI should have full, easy and regular access to the President and NSC, but should not be or act as a partisan political supporter of the Administration.
- The DCI's supporting system should be shaped to provide the best possible intelligence; resource allocations, procedures, and organization should be driven by substantive goals set by national needs.

- The DCI should have an officially established relationship with the Secretaries of State and Defense that would enable them to work efficiently together.
- The Department of Defense should be assured that the intelligence capabilities it needs in wartime would be available.
- That portion of the Defense budget allotted to national intelligence resources should be clearly identified and segregated from the Defense budget proper.
- The Community should be managed with due regard for resource constraints (Colby intentionally listed this at the end, noting that too many studies of intelligence placed excessive emphasis on economy where the primary focus should be on the production of good intelligence).

Mr. Colby was concerned by the study group's treatment of the DCI-Secretary of Defense relationship, feeling that it was a matter of fundamental importance that had not been adequately confronted and resolved. He saw the problem in fairly simple terms:

- The DCI was charged with the responsibility for allocation of all intelligence resources.
- Of the total intelligence budget, Defense then controlled 85 percent and the DCI 15 percent.
- On the other hand, while the CIA, overhead reconnaissance activities, and combined cryptology made up the bulk of the national intelligence budget, they then equalled a small percent of the overall Defense budget.
- Therefore:
 - Defense had a preponderant voice in how intelligence monies were spent.
 - When faced with a choice of goals between warfighting or intelligence capabilities, Defense would tend to choose warfighting.
 - Intelligence money was such a small part of the totality of Defense concerns that it could not get the attention it deserved.

Director Colby reasoned that the sum of these factors meant that under the current circumstances, the DCI was able to do his job only with the concurrence of the Secretary of Defense. In light of these principles and conclusions, Mr. Colby was critical of the reorganizational options presented in the study, reasoning that none of them solved the basic problems of Community management and resource allocation.

Finally, Director Colby observed that the selection of any reorganizational option would depend upon a Presidential willingness to make major changes. He noted that Congress appeared to be moving toward proposing eventual change, but doubted that the disruption of effort resulting from an organizational initiative by the Administration would be justified by the results. He proposed, therefore, that a move be made to achieve better management of the Community in a way that would not require lengthy Congressional debate. The Colby view came to be known as "Option 4 Modified," or "Collective Management," which could be achieved with minimal legislative change. A summary description of it stated that:

The DCI would continue to be advisor to the President, coordinator of the Community, and Director of CIA. The existing structure of

committees and boards would be consolidated into two, both chaired by the DCI: an NSC executive committee at the Deputy Secretary level responsible for all Community management and policy matters, and a national intelligence board at the USIB Principals level responsible for substantive production. To enable the DCI to give full attention to his Community responsibilities, he would be provided with a second deputy.

At this point the central concern of both the Senate and House Select Committee investigations was with the propriety of intelligence activities, which tended to give secondary emphasis to the coordination problems now chronic in the Community. It was politic, therefore, for any action which the Executive Branch might take to underscore a bolstering of oversight mechanisms. The underlying apparent strategy of the Executive in early 1976 was to preempt Congressional action and to co-opt the main issues of Congressional concern. This was reflected in the next major milestone in the history of the Community, Presidential Executive Order No. 11905, issued on 18 February 1976, entitled "United States Foreign Intelligence Activities." The Executive Order purported to both clarify the authority and responsibilities of intelligence departments and agencies and to establish effective oversight to assure compliance with law in the management and direction of intelligence organizations of the national Government.

Implementation of the Executive Order

The balance of 1976 was devoted to implementing and testing the provisions of E.O. No. 11905. One of the most important provisions was the creation of an NSC Committee on Foreign Intelligence (CFI), chaired by the DCI and including as other members the Deputy Secretary of Defense responsible for intelligence matters and the Deputy Assistant to the President for National Security Affairs.¹⁵ The CFI, for the first time, gave the Community leadership a formal arena in which it might exercise resource control over all elements of the NFIP. In theory, the CFI would receive guidance on the formulation of national intelligence policies from the NSC and would be empowered to control budget preparation and resource allocation for the NFIP. The CFI would be a decision-making mechanism which would rule on resource questions. While the detailed process of identification, study, and negotiation of resource issues in the CFI was considered to be a major improvement, problems of the past nevertheless persisted.

15. DCI George Bush served as CFI chairman from its inception until near the end of the Ford Administration. Other members were Robert F. Ellsworth, DoD, and William G. Hyland, NSC.

The CFI met 19 times in 1976, devoting its primary attention to formulation of the NFIP budget for FY 1978, which it forwarded to the President in November. It would be inaccurate, however, to record that all went smoothly. Considerable administrative difficulty was encountered in provision of staff support to the CFI because of differing interpretations within the Community of CFI responsibilities. The authority of the CFI was somewhat ambiguous where it contrasted with statutes and directives governing Defense Department budget authority. Since Defense-managed programs still represented about 80% of the NFIP costs, differences among CFI members were predictable and unavoidable. To be sure, progress was made toward the central review and rationalization of a consolidated NFIP budget, but this depended upon an arduous process of negotiation and persuasion. In late 1976, the State Department entered an informal petition to add the Deputy Secretary of State to CFI membership, reasoning that the allocation of national intelligence resources should not be divorced from foreign policy considerations and the interests of that Department.

The stature and duties of the DCI's Community Staff increased significantly following Executive Order 11905.

The Order charged the IC Staff to provide support to the CFI as well as to the DCI. The Staff continued under the direction of a Deputy to the DCI for the Intelligence Community, and an active duty military officer of four-star rank was eventually appointed to the job.¹⁶ Broadened duties required an increase in the size of the Staff and a realignment of its major functions. It was restructured to support the DCI in his Community role in three areas: resources management (CFI support); collection assessment, product evaluation and improvement; and coordination and planning. The IC Staff included the Executive Secretary to the CFI, who also served as Executive Secretary to the National Foreign Intelligence Board (NFIB), the successor to the USIB. The DCI named his Community Deputy (instead of his "CIA Deputy") to be Vice Chairman of the NFIB and full voting member. The sense of "community" continued to evolve.

New Administration: New Impetus

An early move in President Carter's administration was to reassign the duties of the CFI to one of the two new NSC committees (all others were abolished). Henceforth, the CFI would be known as the NSC Policy Review Committee

16. Admiral Daniel J. Murphy, US Navy, who served as Deputy to the DCI for the Intelligence Community during the period April 1976-June 1977. This position had, since 1972, been authorized to be held by a military officer of three-star rank, or civilian equivalent.

(Intelligence)¹⁷ and would include a State Department member.

On 20 January 1977, President Carter issued instructions establishing the instrumentalities which would direct the work of the NSC and participating agencies during his administration. Among these were the Policy Review Memoranda (PRM/NSC), to be used to direct the reviews and analyses to be undertaken by departments and agencies in the Executive Branch.

PRM/NSC-11 was issued on 22 February 1977. It ordered a comprehensive review of major foreign intelligence activities and the organizational structure and functioning of the Intelligence Community. The review was designed to lead to options for dealing with, inter alia, the following:

- Preserving and improving the arrangements of E.O. No. 11905.
- Adding to the line authority of the DCI over national intelligence collection programs.
- Reducing ambiguities in the dual role of the DCI as Community manager and as Director of the CIA.

17. The other NSC committee, known as the NSC Special Coordinating Committee (SCC) was established on 20 January 1977 by Presidential directive to deal with "specific cross-cutting issues requiring coordination in the development of options and the implementation of Presidential decisions." Chaired by the Assistant to the President for National Security Affairs, the SCC included the statutory members of the NSC or their representatives, and other senior officials as appropriate.

- Insuring the independence of CIA analysis and production from policy considerations and possibly separating them from collection, operational and intelligence-related research and development activities.

President Carter added a hand-written note to PRM/ NSC-11 which directed the NSC Special Coordinating Committee (SCC) to assess the interrelationships among the various intelligence agencies and to make appropriate recommendations to him.

The PRM contained three principal "tasks." Task 1 pertained to the propriety and legality of intelligence operations. The Attorney General chaired an interdepartmental group to address those issues. Task 2, for which the DCI was directed to chair an interagency group, was to analyze the role, responsibilities and authorities of the DCI. Task 3 entailed the development of principles and alternatives. The Task 2 report was largely drafted in the IC Staff, after several interagency meetings, and was widely circulated for comment in the Community. The final report acknowledged that it might "be judged biased by an ICS point of view" and, indeed, contained several dissenting footnotes provided by the Department of Defense. That

notwithstanding, the report captured the essence of the Community coordination problem as it has been traced on these pages. It said (without apparent dissent):

Historically, US intelligence resource management has been largely decentralized, both in the Community as a whole and in the Department of Defense, where most of the resources reside. But pressures to centralize the process of managing those resources labeled 'national' have been increasing for several years, culminating last year in Executive Order 11905.

-- Refinement of the programming and budget process created by that Order is one way of enhancing the integrity of national intelligence resource management in the future; it has the significant virtue of an evolutionary approach that builds on existing organizations and accumulated experience.

As it now stands, however, the present system gives the DCI responsibilities that extend beyond his pure management authority to fulfill.

-- It obliges him to proceed on most matters by persuasion and negotiation. This means that, to a great extent, initiative in the process lies with program elements and with outside critics. As a by-product, this structure places significant strain on the DCI in discharging his dual roles as head of CIA and as Community leader.

The report also observed that the DCI's role as producer of national intelligence is central to his entire function, but noted that:

One major ingredient of the present national intelligence process that (the) Community structure places largely beyond the DCI's influence is the quality of departmental participation in that process.

While he can enlarge, strengthen, or reorganize the analytical elements of CIA, he has little power, in practice, over the major departmental producers who also contribute to national intelligence analysis and production. He reviews their budgets in the NFIP process and can undertake to evaluate their performance. But he has no authority to compel the departments to make changes to meet his own criteria of improvement.

After 80 pages of discussion, the Task 2 report identified the central issues by asking these questions:

- If there is to be a national intelligence manager, with special emphasis on and responsibility for resource management, who should he be and to whom should he report?
- Over what elements should he have line authority, collegial influence, or some advisory responsibility?

Meanwhile, the Task 3 report was developed within a special working group¹⁸ and was forwarded to the SCC on 31 May 1977. Among the several principles postulated in the report, the principle of efficient management was treated with greatest elaboration. The report observed that there must be sufficient centralizing authority to force painful choice where it is needed on a rational basis, to compel programs to be justified on the basis of their ultimate contribution to intelligence, and to preclude resource

18. Samuel Hoskinson, NSC Staff, Chairman; Vice Admiral Bobby Inman, DIA; Wheaton Byers, former Executive Secretary of the PFIAB; Arnold Donohue, OMB; and Fritz Ermarth, IC Staff.

allocation purely on the basis of organizational ownership and "clout." The decisionmaking power of this central authority, the report continued, must be commensurate with the responsibility it has to assure efficient resource management.

The DCI, Admiral Stansfield Turner, noted in his Notes from the Director of 13 June that the SCC would meet on 15 June 1977 to consider the results of NSC/PRM-11 and to begin to formulate recommendations to be presented to the President. Admiral Turner observed that the study presented a wide range of options which primarily addressed the Intelligence Community and the responsibilities of the DCI as director of that Community, and identified the key issue as being the authority of the DCI over other elements of the National Foreign Intelligence Program. Thus Director Turner joined former DCIs Bush, Colby, Schlesinger, Helms and McCone before him in expressing concern for the effective management of the US foreign intelligence effort absent some greater measure of budgeting and operational control of the Community. This time, however, the climate and opportunity for needed change seemed more favorable than at any time during the past thirty years.

- Director Turner had established a close working relationship with the President, perhaps closer than had any DCI since Allen Dulles. Unlike any DCI before him, Admiral Turner established his primary office in the Old Executive Office Building next to the White House, placing him close to the national decisionmaking apparatus. Since occupying that office he had met (and continues to meet) routinely with the President--twice a week--quite apart from cabinet or subcabinet, sub-NSC, or other group meetings.
- The Congressional investigations of 1975 created a shock wave which drove the legislators toward change in the Intelligence Community. In the aftermath, the Senate Select Committee on Intelligence (SSCI) was formed in mid-1976 to oversee intelligence activities, and was followed a year later by the formation of the House Permanent Select Committee on Intelligence. The SSCI began drafting legislation for the reorganization of the Community which would centralize control under a "Director of National Intelligence (DNI)" and would greatly strengthen the

office of the President's senior intelligence advisor.

In an address to employees given in the CIA auditorium on 17 June 77, Senator Inouye, Chairman of the SSCI, stated that while recent years had provided a time for examination and reassessment, changes in the organization and operation of the Community were clearly needed. He noted, significantly, that the SSCI was in complete agreement with the President that comprehensive charter legislation and a revised Executive Order were required. He predicted that the DCI would become a greatly strengthened "DNI" with eventual overall direction and resource control of CIA, NSA and overhead reconnaissance activities (leaving day-to-day operations to others in each instance).

All of these factors contributed to the milieu in which the NSC's Special Coordinating Committee met in mid-June to consider the studies and options resulting from NSC/PRM-11. The first session got quickly to the central issue, on which the interests of the DCI and the Secretary of Defense were divided: control of the assets

and resources of NSA and overhead reconnaissance. Both DoD and DCI representatives were asked to develop positions which, discounting all the variants and middle-of-the-road options, would clearly articulate opposing views.

The SCC met for the second time on 28 July 1977. In addition to the recommendations submitted by Defense and Community representatives, OMB presented a separate proposal. The OMB proposal suggested creation of a "Foreign Assessment Agency," drawn from the NIOs and the CIA's Directorate of Intelligence, and the transfer of CIA's Directorate of Science and Technology to the Department of Defense.

Details of the final options proposed by the DCI, DoD, and the OMB were known by few apart from the principals who shaped them. Dr. Brzezinski, the President's Advisor for National Security Affairs, delivered the final options to President Carter on 9 July 1977.

No one could predict what the President would decide regarding the organization and functions of the Community of the future. There was widespread agreement, however, that if a major rearrangement of the Community were to occur it would be attributed to two critical factors. The first of these would be the willingness of a President to undertake and to make changes--a key

ingredient that had not previously existed in the life of the Community. The second factor might be described as a general maturing of outlook leading to the realization that:

- There was a need for much greater efficiency in the coordination of U.S. foreign intelligence, both in the realm of resource control and in assuring the propriety of intelligence activities.
- Nobody was in complete charge; that is, the Community was fragmented among several departments and agencies of government, creating discontinuities of management and leadership.
- The pressures which had militated for assignment of greater responsibility to those involved in leading the nation's intelligence effort were realistic--both to insure accountability and to insure sufficient response to the continuing need for better intelligence--and that comparable authority for those assigned the responsibility was both reasonable and necessary.

While waiting for President Carter's decision, elements of the DCI's staff formed an implementation task force to consider methods of instituting the various reorganizational options, should any occur. Possible implementation instruments which were considered included new legislation, a Presidential executive order, the reorganization plan (wherein an Executive Branch proposal becomes effective in the absence of Congressional veto within 60 days), or some combination of executive order and the reorganization plan, noting that these would facilitate early implementation while providing the framework for a statutory accommodation at a later date.

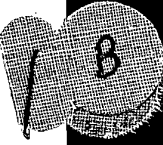
Finally, on 4 August 1977, came the Presidential announcement of a significant reorganization plan for U.S. foreign intelligence, the culmination of the 5-month review (NSC/PRM-11) of intelligence by the NSC. This was, to be sure, the result of an intensive review; it also represented a far-reaching and pragmatic attempt to solve a critical national problem which had been increasing in complexity--and had defied adequate solution--for thirty years or more.

Coordination of the U.S. foreign intelligence effort will continue to encounter complex issues and different problems. But the historical imbalance between management

responsibility and authority should no longer stand in the way of effective solutions to such problems.

The Intelligence Community, once a mere concept and phrase of convenience, has over the years become a reality. Consisting originally of the intelligence components of the pre-World War II Departments of War, Navy, and State, the Community grew by 1961 to include CIA, NSA, DIA, and elements of the separate military services. In ensuing years it incorporated intelligence components of the Treasury Department, the FBI, the old Atomic Energy Commission and its successor organizations, and special reconnaissance activities. The Intelligence Community was officially defined for the first time in 1976, by Presidential Executive Order. It has recently been redefined, also by Executive Order, to include an element of the Drug Enforcement Administration.

The "Presidential Directive on Reorganization of the Intelligence Community" (PD-17) was signed on 4 August 1977. The highlights appear in the front section of this paper. The implementing Presidential Executive Order is appended.



Evolution of the Intelligence Community Staff1960-1980

A significant early step in the evolution of a coherent National Foreign Intelligence Community occurred in 1961 when President Eisenhower, by Executive Order, institutionalized the U.S. Intelligence Board (USIB)¹ and formally established the National Photographic Interpretation Center (NPIC). Refinement of the USIB concept--that it be chaired by the DCI--was formalized by President Kennedy on 16 January 1962 by memorandum to DCI McCone, the same year in which NSA became a USIB member. This instruction also directed Mr. McCone to delegate the day-to-day operations of CIA to his deputy, who would also become the CIA representative to the USIB, so that the DCI could devote more of his time to Community matters.

As successive steps were taken toward a Community which would more fully integrate National Foreign Intelligence activities, the DCI became aware of a growing need for a supporting staff which would focus exclusively on Community concerns. In 1963, Director McCone created a National Intelligence Programs Evaluation (NIPE) Staff for this purpose and placed it under his Deputy for Coordination.

On 4 March 1964, the NSC revised its first formal intelligence directive, NSCID No. 1, to assign the DCI (then Admiral Raborn) primary responsibility for guiding the total U.S. intelligence effort.² Three years later, under the leadership of DCI Richard Helms, the Intelligence Community may be said to have reached figurative maturity--21 years since Congress first enunciated the principle of a Director Central Intelligence.

On 20 January 1969 John Bross, then Director of the NIPE Staff, submitted a comprehensive report to the DCI on the organization of the CIA and the Intelligence Community which set the stage for Community development in the 1970's.

¹ The DCI's Intelligence Advisory Committee (IAC) was created in 1947 to coordinate intelligence requirements among Departments. Chaired by the DCI, it included representatives from State, Army, Navy, Air Force, JCS, the Atomic Energy Commission, and others the DCI might invite.

² NSCID No. 1 was first issued on 12 December 1947. It established the duties and responsibilities of the DCI and prescribed the relationship between the CIA and the intelligence organizations concerning which the IAC (see footnote 1) advised him.

Focusing on the Community, the report addressed the Community's relationship to the DCI's coordinating responsibility under three headings:

- Coordination of the production and dissemination of substantive intelligence;
- Machinery for allocating jurisdictional responsibility among Community components; and
- Guidance and coordination for allocation and use of resources.

While Bross said little on the subject of allocating tasks among Community components, except to note that the National Security Council was the allocating authority, he focused on resource management, noting the DCI's primary responsibility for resource management was to ensure that resources used in the overall U.S. intelligence effort produced intelligence which responded, insofar as possible, to the real needs of policymakers. Given a variety of expensive and sophisticated technical collection options, and the ability to collect enormous amounts of data--some of which was redundant or of marginal interest--and limited numbers of operating dollars, Bross saw as primary questions: How would the DCI determine how much information was enough, and how would he know whether sufficient effort was being applied against the most essential intelligence targets.

These questions remained unanswered despite the efforts of the National Intelligence Resources Board (NIRB) which had been created to establish bases for independent judgments by the DCI concerning the need for individual activities or programs³. Not designed for routine program review, the NIRB advised the DCI on collection programs in light of cost, alternative methods and gaps in collection coverage of critical areas and possible risks to national security. The Board was authorized to draw on all Community components to assist in its assessments. Like the USIB, it was another forum for management by negotiation in the absence of DCI directive authority commensurate with the responsibilities which he was assigned. The NIRB drew on the NIPE Staff and USIB committees for program review and staffing.

In commenting on the DCI's ability to carry out these tasks the DCI's Deputy for Coordination and the NIPE Staff--then numbering about a dozen professionals-- pointed out that their lack of authority to deal directly with either CIA resource elements and other Community components was a serious impediment.

³ The NIRB was established by Director Helms in 1968. His deputy, Admiral Taylor, was appointed chairman. Other members were senior representatives from the Departments of Defense and State. DIA and NSA were excluded from membership because, as Program Managers, it was their resources which the NIRB would consider for trade-off and adjustment.

DCI Helms and his advisors believed that: A Community staff should support the NIRB, maintain the Target Oriented Display (a consolidated presentation of National Foreign Intelligence Resources showing geotopic focus and functional composition);⁴ represent the DCI in reviewing DoD and other departmental intelligence programs; refine objectives and priorities for the overall intelligence effort; and develop a long-range planning capability. There was a recognition that such a staff should maintain a competence in systems and operations analysis and perform Community liaison functions, including support to the President's Foreign Advisory Board (PFIAB).⁵

In a letter to Director Helms on 1 November 1971,⁶ President Nixon noted the urgent need for increased efficiency in the allocation of resources devoted to the intelligence effort. The President directed changes designed to enhance the status of the DCI and to provide him with the support needed to strengthen his position as leader of the Community. He instructed the DCI to focus his primary attention on community leadership tasks -- to plan and review all U.S. foreign intelligence activities, including tactical intelligence, and the allocation of all U.S. foreign intelligence resources. To implement these directives, the President mandated a group of specific management actions, based on a study of National Foreign Intelligence management needs by the staffs of the NSC, OMB, PFIAB, the President's Science Advisor, and the Intelligence Community, i.e.:

- An enhanced leadership role for the DCI in planning, reviewing, coordinating, and evaluating all intelligence programs and activities, and in the production of national intelligence.
- Establishment of an NSC Intelligence Committee (NSCIC) to give direction and guidance on national intelligence needs and provide for a continuing evaluation of intelligence products; and of an NSC Net Assessment Group to evaluate all intelligence products and to produce net assessments.

⁴ The Target Oriented Display is known today as the Consolidated Intelligence Resources Information System (CIRIS); it is maintained by the IC Staff.

⁵ President Eisenhower founded the President's Board of Consultants on Foreign Intelligence Activities in 1956. It was an appointive body composed of a group of private citizens who advised the President, but had no authority over the DCI or the Intelligence Community. President Kennedy renamed the group the President's Foreign Intelligence Advisory Board. It functioned as the PFIAB from 1962 until 4 May 1977, when President Carter dissolved it.

⁶ A following memorandum, dated 5 November 1971, detailed the President's instructions. It is not cited here because of its restricting security classification.

- Establishment of an Intelligence Resources Advisory Committee (IRAC), chaired by the DCI and including senior members from State, Defense, OMB, and CIA, to advise the DCI on the preparation of a consolidated intelligence program budget.⁷
- Retention of the USIB (naming the Deputy DCI vice chairman) to advise and assist the DCI with respect to production of national intelligence and establishment of national intelligence requirements and priorities.

In providing this directive, the President noted that the DCI would require an increased and restructured staff to allow him to discharge his augmented responsibilities. Recognizing that these actions would not provide ultimate solutions, the President stated that he expected additional changes in the Community, consistent with the attainment of prescribed national objectives.

Reflecting these broader responsibilities, Director Helms created the Intelligence Community Staff (ICS) on 1 March 1972 to deal with the Community aspects of his expanded mission, and named Bronson Tweedy as its Director. When Dr. Schlesinger became DCI in early 1973, he reorganized the IC Staff to make it more representative of the entire Community, it having previously been manned by a preponderance of CIA officers.

Under Lt. Gen. Lew Allen who succeeded Bronson Tweedy as Director, the IC Staff reflected the focus of the DCI on his Community management responsibilities. Organizationally, the IC Staff included:

- A Community Comptroller Group
- A Product Review Group
- A Planning and Evaluation Group
- A Data Support Group

The "Product Review Division" (PRD) had the task of regularly appraising intelligence articles and studies, "testing them for objectivity, balance and responsiveness."

⁷ The IRAC superseded the NIRB and perpetuated the intent to provide a Community forum which would address critical intelligence resources matters.

The CIA's Intelligence Directorate had no formal or independent system for quality control, depending instead upon its regular review and coordination process. Most of PRD's attention during the period was directed to the conduct of community-wide post mortems on particular crises -- for example, the 1973 Middle East war, the Cyprus crisis in 1974, the Indian nuclear detonation and the Mayaguez incident. The Division was involved in changing the daily Central Intelligence Bulletin from a CIA publication into a community publication (now called the National Intelligence Bulletin). PRD participated in discussions leading to the transformation of the old Watch Committee into the DCI's Special Assistant for Warning, with a Strategic Warning Staff.

PRD was not significantly involved in the development of new analytic methods, in resource allocation for production elements, or in training or recruitment issues. Contact with consumers of intelligence products was on an irregular basis (mostly for post mortems), although PRD was at work, through other CIA organizations, collecting consumer reactions on particular papers of concern to the USIB. The Division had no authority to order changes in the management of production which might affect the quality of the product, rather it was in the position of making recommendations to the USIB and encouraging their implementation.

The National Intelligence Officer (NIO) organization, which was created about a year later under DCI Colby, replaced the previous office of National Estimates, and extended the DCI's role and presence throughout the intelligence production process. Each NIO had a specific area of geographic, or topical, responsibility. The NIO concept was an answer to the continuing problem of finding ways to concentrate Community capabilities on substantive problems of major interest to consumers without incurring the costs and dislocations of continual reorganization. The NIOs, given no line authority over any Community component, were authorized by the DCI to draw on all Community entities. Their mission was to view their respective areas of responsibility, and the Community's total performance, thereto just as the DCI would view them if he had the full time and expertise to devote to the particular subject area.⁸

Collaboration of the IC Staff and NIOs under DCI Colby's direction, for example, led to the development of Key Intelligence Questions (KIQs) and an attempt to evaluate the Community's performance in addressing/satisfying these questions. The KIQs were the Community's response to a national requirement for a single system by which NSCIC members could specify their most important immediate intelligence needs and thereby provide definitive guidance to the DCI and to managers of national intelligence programs. The KIQ personnel evaluations, KEP, was a joint ICS/NIO attempt to measure and evaluate IC performance with respect to annually defined KIQs.

⁸ The NIOs replaced the Board of National Estimates (BNE) had been created in 1950 to provide a forum in which senior experts from outside the Community might review estimates drafted by CIA's Office of National Estimates (ONE) Staff. Over time BNE membership was dominated by senior CIA analysts, creating an insular BNE-ONE relationship and diminishing the objectivity which was its charter. Director Colby abolished both the BNE and ONE and created the NIOs.

Responding to the White House guidance of late 1971, which called for the DCI to develop and submit a consolidated intelligence program budget (including tactical intelligence) to OMB, the Community Comptroller Group of the DCI's IC Staff prepared a National Intelligence Presidential Memorandum (NIPM) as a start in the direction of disciplined substantive analysis of the National Intelligence Program.

The process of development of the 1972 NIPM served to underscore the DCI's coordination problem. Nearly every working-level element in, or related to, the Intelligence Community became involved at one or more points in the lengthy process: The IC Staff, the USIB and USIB Committees, State, CIA, the Assistant Secretary of Defense (Intelligence), the IRAC and IRD&C, DIA, NSA, the DDS&T, the Services, Special Reconnaissance offices, the NSC Staff, the OMB Staff, Program Managers and most senior officials in State, CIA and Defense. Despite thousands of hours of review and coordination, the NIPM had virtually no impact on final budget decisions. From the DCI's viewpoint--tasked as he was to embrace the responsibility for allocation of intelligence resources--he found once again that the collegial management mechanisms of the Community were inadequate. The effort was constricted by Defense policies which limited DCI staff access to review processes within Defense. (Intelligence Community elements within DoD were obliged to deal with the IC Staff through the office of the Assistant Secretary of Defense (Intelligence), thereby limiting the organizational interface and freedom of discussion).

In a memorandum to all heads of governmental agencies on 18 April 1973, President Nixon directed the preparation of major goals and objectives to be accomplished during the upcoming year for each organization. The Director of OMB interpreted the directive to pertain to the Intelligence Community as an entity--not merely CIA--emphasizing that objectives should be clearly of Presidential significance. As a consequence, Director Colby established as his Community objective the assurance of authoritative and responsible leadership for the Community as a whole.

Toward that end, the USIB became more active as an advisory body to the DCI. The Treasury member of USIB became a regular participant as economic intelligence requirements increased. The ASD(I) and the Under Secretary of the Air Force, both of whom had large resource responsibilities for major intelligence efforts, were invited to participate at the USIB when matters affecting their interests were involved. Similarly, on other occasions, the Director of the Arms Control and Disarmament Agency and the Director of Defense Research and Engineering were to develop active relations with USIB. Cooperation at the USIB was apparent and important. It permitted open treatment of consumer requirements and constructive discourse on the implications of resource constraints. It also elicited important substantive and procedural commentary on such matters as the KIQs, structural adjustments to improve the family of intelligence products, and the means to improve what was beginning to be called the intelligence "nervous system," information handling for crisis management.

Also that year the Intelligence Community Staff, under the leadership of Lt.Gen Dan Graham, USA, later replaced by Lt.Gen Sam Wilson, USA, focused on the need to develop resource packages showing relationships between costs and outputs. The Staff set a course for FY 1975 aimed at the development of a National Foreign Intelligence Program (NFIP) developed around a five-year projection of needs for all national activities, grouping national assets irrespective of parent agency or source of appropriation.

In a year-end report to the President in 1974, the DCI noted that the Community "requirements machinery" still needed more attention. His intention was to work through the USIB to fashion better ways of making judgments on requirements, and for setting collection priorities within budgetary constraints. He noted as well that using manpower reductions as a trade-off for increasing program costs and inflationary pressures had attenuated program flexibility. In the meanwhile, there was no diminution in expectations of the DCI's role in the Community. A memorandum⁹ from President Ford reaffirmed his charge.

You should continue to exercise leadership in maintaining a proper balance among intelligence activities by planning and reviewing all intelligence programs and resources. Your views on intelligence activities, including tactical intelligence, should be incorporated in an annual consolidated program budget which considers the comparative effectiveness of collection programs and relative priorities among intelligence targets.

The following year witnessed a series of investigations and public exposure of questionable practices of the past. Four separate investigations of intelligence activities, by the Rockefeller and Murphy Commissions and by the Senate and House Select Committees on Intelligence stimulated considerable internal review of Community management, organization, and methods of resource allocation.

On 13 October 1975, Director Colby sent the President a CIA study of the organization of intelligence which he believed offered special insights into contemporary intelligence problems. The study, in concentrating on basic issues to be considered in a reorganization of American intelligence, recognized a need for the structure to be made more efficient and effective. In addressing issues, options, and recommendations for the reorganization and management of the Intelligence Community, study noted that the 1971 Presidential directive gave the DCI resource review responsibility for the entire Community, but did not provide directive or fiscal authority to enable him to meet such responsibility. Arguments were developed for centralization of intelligence functions, based upon the growing resource management task, the DCI's lack of real authority, the Community's increasing reliance upon expensive collection systems, and the need to serve a growing range of intelligence consumers. The study group, anticipating that the Congressional Select Committees would be making proposals for reorganization, suggested that the President would be well advised to set forth his own proposals "which could be useful as guides for Congress in its deliberations."

⁹ Memorandum, 9 October 1974, to DCI Colby, subject: "Leadership and Management of the U.S. Foreign Intelligence Community."

In commenting on the study, Director Colby observed that the selection of any reorganization option would depend upon a presidential willingness to make major changes. He noted that Congress appeared to be moving toward proposing eventual change, but doubted that the disruption of effort resulting from an organizational initiative by the Administration would be justified by the results. He proposed, therefore, that a move be made to achieve better management of the Community in a way that would not require lengthy congressional debate. The Colby view came to be known as "Option 4 Modified," or "Collective Management," which could be achieved with minimal legislative change. In essence it held:

The DCI would continue to be advisor to the President, coordinator of the Community, and Director of CIA. The existing structure of committees and boards would be consolidated into two, both chaired by the DCI: An NSC executive committee at the Deputy Secretary level responsible for all Community management and policy matters, and a national intelligence board at the USIB Principals level responsible for substantive production. To enable the DCI to give full attention to his Community responsibilities, he would be provided with a second deputy.

Presidential Executive Order No. 11905, issued on 18 February 1976, entitled "United States Foreign Intelligence Activities" in taking cognizance of the DCI's recommendation clarified the authority and responsibilities of intelligence departments and agencies and established effective oversight to assure compliance with law in the management and direction of intelligence organizations of the national Government. One of the most important provisions of E.O. 11905 was the creation of an NSC Committee on Foreign Intelligence (CFI), chaired by the DCI and including as other members the Deputy Secretary of Defense responsible for intelligence matters and the Deputy Assistant to the President for National Security Affairs.¹⁰ The CFI, for the first time, gave the Community leadership a formal arena in which it might exercise resource control over all elements of the NFIP. In theory, the CFI would receive guidance on the formulation of national intelligence policies from the NSC and would be empowered to control budget preparation and resource allocation for the NFIP--a decision-making mechanism which would rule on resource questions. While the detailed process of identification, study, and negotiation of resource issues in the CFI was considered to be a major improvement, past problems persisted.

The CFI met 19 times in 1976, devoting its primary attention to formulation of the FY 1978 NFIP budget which was forwarded to the President in November. Differing interpretations within the Community of CFI responsibilities made this an arduous task because the authority of the CFI was ambiguous where it appeared to conflict with statutes governing Defense Department budget authority. Since Defense-managed programs still represented about 80 percent of the NFIP resources, differences among CFI members were predictable and unavoidable. Progress was made toward central review and

¹⁰ DCI George Bush served as CFI chairman from its inception until near the end of the Ford Administration. Other members were Robert F. Ellsworth, DoD, and William G. Hyland, NSC.

rationalization of a consolidated NFIP budget, but this depended upon a protracted process of negotiation and persuasion. In late 1976, the State Department entered an informal petition to add the Deputy Secretary of State to CFI membership, reasoning that the allocation of national intelligence resources should not be divorced from foreign policy considerations and the interests of that Department.

The stature and duties of the DCI's Community Staff increased significantly following Executive Order 11905, which charged the IC Staff to provide support to the CFI, as well as to the DCI. The Staff continued under the direction of a Deputy to the DCI for the Intelligence Community, and an active duty military officer of four-star rank was eventually appointed to the job.¹¹ Broadened duties required an increase in the size of the Staff and a realignment of its major functions. It was restructured to support the DCI in his Community role in three areas: Resources management (CFI support); collection assessment, product evaluation and improvement; and coordination and planning. The IC Staff included the Executive Secretary to the CFI, who also served as Executive Secretary to the National Foreign Intelligence Board (NFIB), the successor to the USIB. The DCI named his Community Deputy (instead of his "CIA Deputy") to be Vice Chairman of the NFIB and full voting member.

An early move in President Carter's administration was to reassign the duties of the CFI to one of the two new NSC committees (all others were abolished). Henceforth, the CFI would be known as the NSC Policy Review Committee Intelligence¹² and would include a State Department member.

On 20 January 1977, President Carter issued instructions establishing the instrumentalities which would direct the work of the NSC and participating agencies during his administration. Among these were the Policy Review Memoranda (PRM/NSC), to be used to direct the reviews and analyses to be undertaken by departments and agencies in the Executive Branch.

PRM/NSC-11 was issued on 22 February 1977. It ordered a comprehensive review of major foreign intelligence activities and the organizational structure and functioning of the Intelligence Community. The review was designed to lead to options for dealing with, inter alia, the following:

- Preserving and improving the arrangements of E.O. No. 11905.
- Adding to the line authority of the DCI over national intelligence collection programs.

¹¹ Admiral Daniel J. Murphy, U.S. Navy, who served as Deputy to the DCI for the Intelligence Community during the period April 1976 - June 1977. This position had, since 1972, been authorized to be held by a military officer of three-star rank, or civilian equivalent.

¹² The other NSC committee, known as the NSC Special Coordinating Committee (SCC) was established on 20 January 1977 by Presidential directive to deal with "specific cross-cutting issues requiring coordination in the development of options and the implementation of presidential decisions." Chaired by the Assistant to the President for National Security Affairs, the SCC included the statutory members of the NSC or their representatives, and other senior officials as appropriate.

- Reducing ambiguities in the dual role of the DCI as Community Manager and as Director of the CIA.
- Ensuring the independence of CIA analysis and production from policy considerations and possibly separating them from collection, operational and intelligence-related research and development activities.

President Carter added a hand-written note to PRM/NSC-11 which directed the NSC Special Coordinating Committee (SCC) to assess the inter-relationships among the various intelligence agencies and to make appropriate recommendations to him.

The PRM contained three principal "tasks." Task 1 pertained to the propriety and legality of intelligence operations. (The Attorney General chaired an interdepartmental group to address those issues.) Task 2, for which the DCI was directed to chair an interagency group, was to analyze the role, responsibilities and authorities of the DCI. Task 3 entailed the development of principles and alternatives. The Task 2 report was largely drafted in the IC Staff, after several interagency meetings, and was widely circulated for comment in the Community. The final report acknowledged that it might "be judged biased by an ICS point of view" and, indeed, contained several dissenting footnotes provided by the Department of Defense. Footnotes, notwithstanding, the report captured the essence of the Community coordination problem. It said (without apparent dissent):

Historically, U.S. intelligence resource management has been largely decentralized, both in the Community as a whole and in the Department of Defense, where most of the resources reside. But pressures to centralize the process of managing those resources labeled "national" have been increasing for several years, culminating last year in Executive Order 11905.

-- Refinement of the programming and budget process created by that Order is one way of enhancing the integrity of national intelligence resource management in the future; it has the significant virtue of an evolutionary approach that builds on existing organizations and accumulated experience.

As it now stands, however, the present system gives the DCI responsibilities that extend beyond his pure management authority to fulfill.

-- It obliges him to proceed on most matters by persuasion and negotiation. This means, that, to a great extent, initiative in the process lies with program elements and outside critics. As a by-product, this structure places significant strain on the DCI in discharging his dual roles as head of CIA and as Community leader.

The report also observed that the DCI's role as producer of national intelligence is central to his entire function, but noted that:

One major ingredient of the present national intelligence process that (the) Community structure places largely beyond the DCI's influence is the quality of departmental participation in that process. While he can enlarge, strengthen, or reorganize the analytical elements of CIA, he has little power, in practice, over the major departmental producers who also contribute to national intelligence analysis and production. He reviews their budgets in the NFIP process and can undertake to evaluate their performance. But he has no authority to compel the departments to make changes to meet his own criteria of improvement.

After 80 pages of discussion, the Task 2 report identified the central issues by asking these questions:

- If there is to be a national intelligence manager, with special emphasis on and responsibility for resource management, who should he be and to whom should he report?
- Over what elements should he have line authority, collegial influence, or some advisory responsibility?

Meanwhile, the Task 3 report was developed within a special working group¹³ and was forwarded to the SCC on 31 May 1977. Among the several principles postulated in the report, the principle of efficient management was treated with greatest elaboration. The report observed that there must be sufficient centralizing authority to force painful choice where it is needed on a rational basis, to compel programs to be justified on the basis of their ultimate contribution to intelligence, and to preclude resource allocation purely on the basis of organizational ownership and "clout." The decision-making power of this central authority, the report continued, must be commensurate with the responsibility it has to assure efficient resource management.

The DCI, Admiral Stansfield Turner, noted in his Notes from the Director of 13 June that the SCC would meet on 15 June 1977 to consider the results of NSC/PRM-11 and to begin to formulate recommendations to be presented to the President. Admiral Turner observed that the study presented a wide range of options which primarily addressed the Intelligence Community and the responsibilities of the DCI as director of that Community, and identified the key issue as being the authority of the DCI over other elements of the National Foreign Intelligence Program. Thus Director Turner joined former DCIs Bush, Colby, Schlesinger, Helms and McCone in expressing concern for the effective management of the U.S. foreign intelligence effort, absent some greater measure of budgeting and operational control of the Community.

¹³ Samuel Hoskinson, NSC Staff, Chairman; Vice Admiral Bobby Inman, DIA; Wheaton Byers, former Executive Secretary of the PFIAB; Arnold Donohue, OMB; and Fritz Ermarth, IC Staff.

The NSC's Special Coordinating Committee met in mid-June to consider the studies and options resulting from NSC/PRM-11. The first session got quickly to the central issue, on which the interests of the DCI and the Secretary of Defense were divided: Control of the assets and resources of NSA and overhead reconnaissance. Both DoD and DCI representatives were asked to develop positions which, discounting all the variants and middle-of-the-road options, would clearly articulate opposing views.

The SCC met for the second time on 28 July 1977. In addition to the recommendations submitted by Defense and Community representatives, OMB presented a separate proposal. The OMB proposal suggested creation of a "Foreign Assessment Agency," drawn from the NIOs and the CIA's Directorate of Intelligence, and the transfer of CIA's Directorate of Science and Technology to the Department of Defense.

The "Presidential Directive on Reorganization of the Intelligence Community" (PD-17) was signed on 4 August 1977. On that date President Carter announced a number of major decisions designed to effect needed changes while retaining the structural continuity of the Intelligence Community. The purpose of the changes was to provide for strong direction by the President and the National Security Council (NSC), and to centralize the most critical national intelligence management functions under the Director of Central Intelligence (DCI). The reorganization built on the experience of the past by strengthening the roles of both the NSC system and the DCI. Changes were designed to enhance responsiveness to both the intelligence requirements of major national-level consumers and the operational needs of Federal departments and the military services.

These measures, now set forth in Executive Order 12036, were taken to help close a critical gap--which had been widening over a period of many years--between the growing responsibilities assigned to the DCI and his authority to fulfill those responsibilities.

The DCI outlined in his Notes from the Director of February 1978 the following:

"I want to clarify some of the organizational changes that have taken place as a result of Executive Order 12036.

As you know, the Executive Order was promulgated on 26 January 1978 and assigned the DCI significantly increased responsibilities:

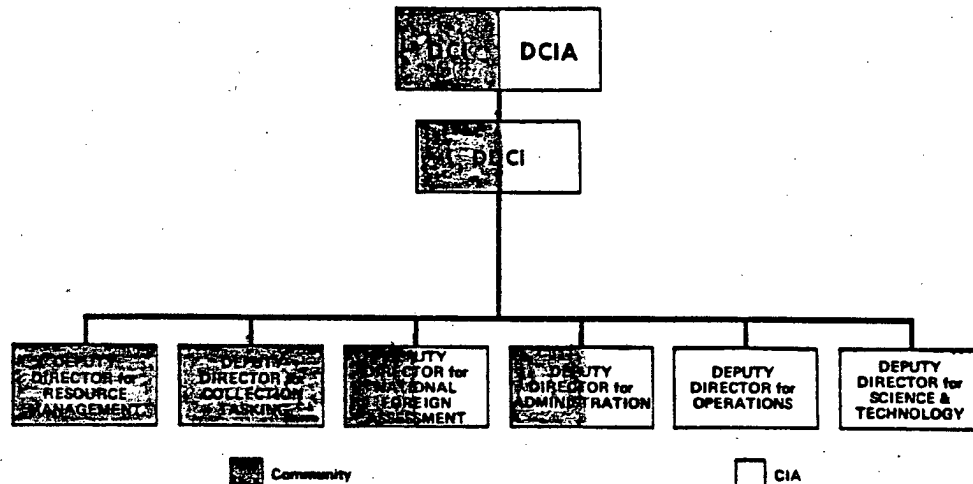
- For tasking of all Intelligence Community collection assets and dissemination of the results;
- For formulating the national intelligence budget; and
- For ensuring the production of national intelligence estimates.

To meet the first two of these responsibilities, tasking and budgeting, I have elected to split the existing Intelligence Community Staff: One-half under a new Deputy for Collection Tasking, the other under a Deputy for Resource Management. The former will manage the existing collection committees; in addition, he will establish a National Intelligence tasking Center. This Center will attempt to ensure that for any given collection problem we utilize the full resources of the Intelligence Community and do so in a coordinated manner. The Deputy for Resource Management will be responsible for supporting me in my new "full and exclusive" responsibility for preparing the National Foreign Intelligence Program Budget and submitting it to the Office of Management and Budget and the President. The division of the IC Staff into these two components is subject to congressional approval which we hope for shortly.

The third new responsibility above is simply a somewhat more explicit statement of the DCI's traditional role in producing National Intelligence Estimates. Under the new Executive Order, I am empowered to require participation of other agencies in developing National Estimates, but not to interfere with their normal analytic work. We want separate and independent centers of analysis in our Intelligence Community. In order to carry out the national estimating role in a more coordinated manner, we have, as you know, merged the old NIO and DDI structures into the National Foreign Assessment Center (NFAC). Those two organizations always worked very closely together.

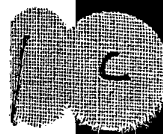
The following chart depicts this planned new organization, including those components under the direct jurisdiction of the DCI and the components of the CIA, and briefly describes the major responsibilities of each."

Organization Under New Executive Order

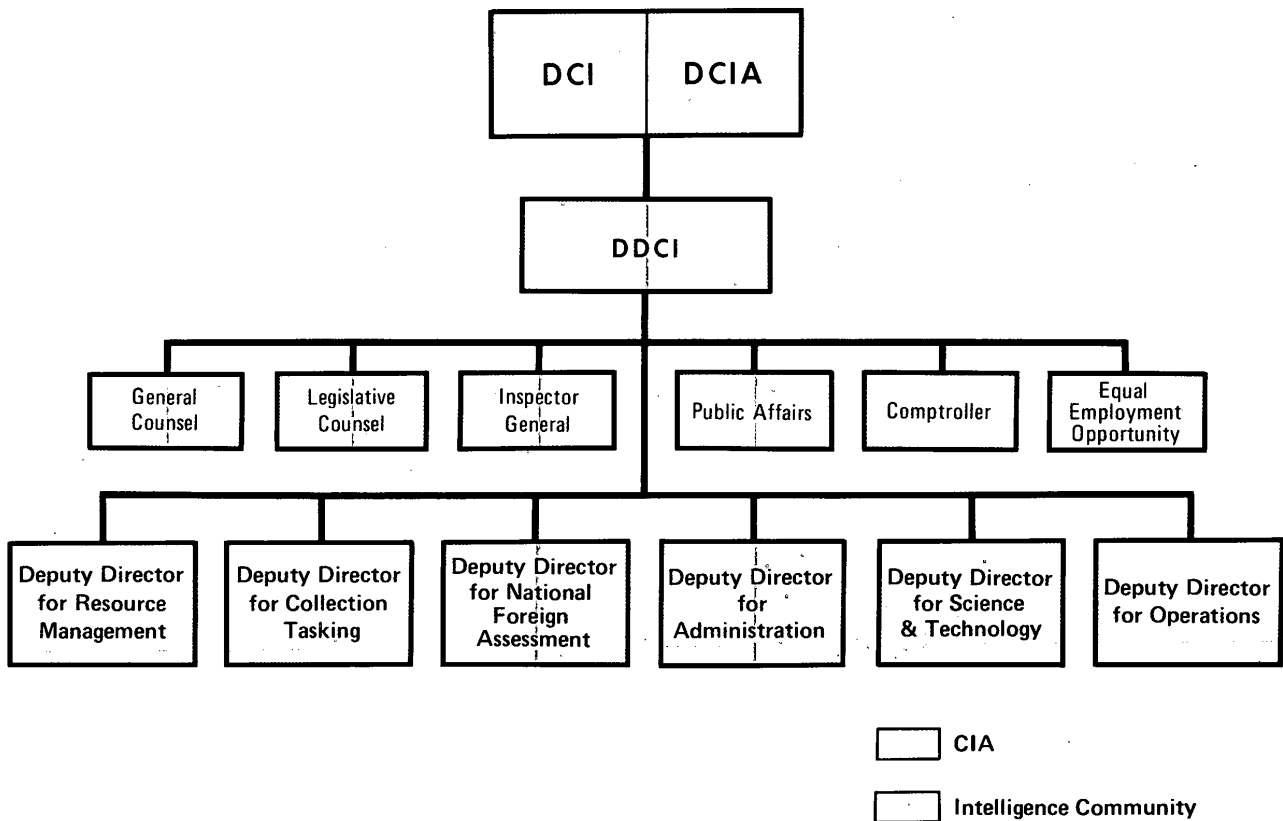


1. The Deputy Director for Resource Management is the principal adviser to the DCI on all matters relating to the National Foreign Intelligence Program (NFIP) budget prior to its presentation to the President and Congress. He will ensure the DCI has full access to relevant information and will conduct audits and evaluations as necessary. He will also assist the DCI in arriving at budget recommendations and will oversee the execution of the budget once it is approved.
2. The Deputy Director for Collection Tasking is the principal adviser to the DCI on all collection efforts within the Intelligence Community. He is responsible for suggesting, through the National Intelligence Tasking Center, (NITC), which he heads, intelligence collection objectives and tasks to all intelligence elements of the Intelligence Community. He establishes priorities for tasking national intelligence collection systems in response to the production priorities set by the National Foreign Assessment Center. Through the NITC, he ensures dissemination of the information collected.

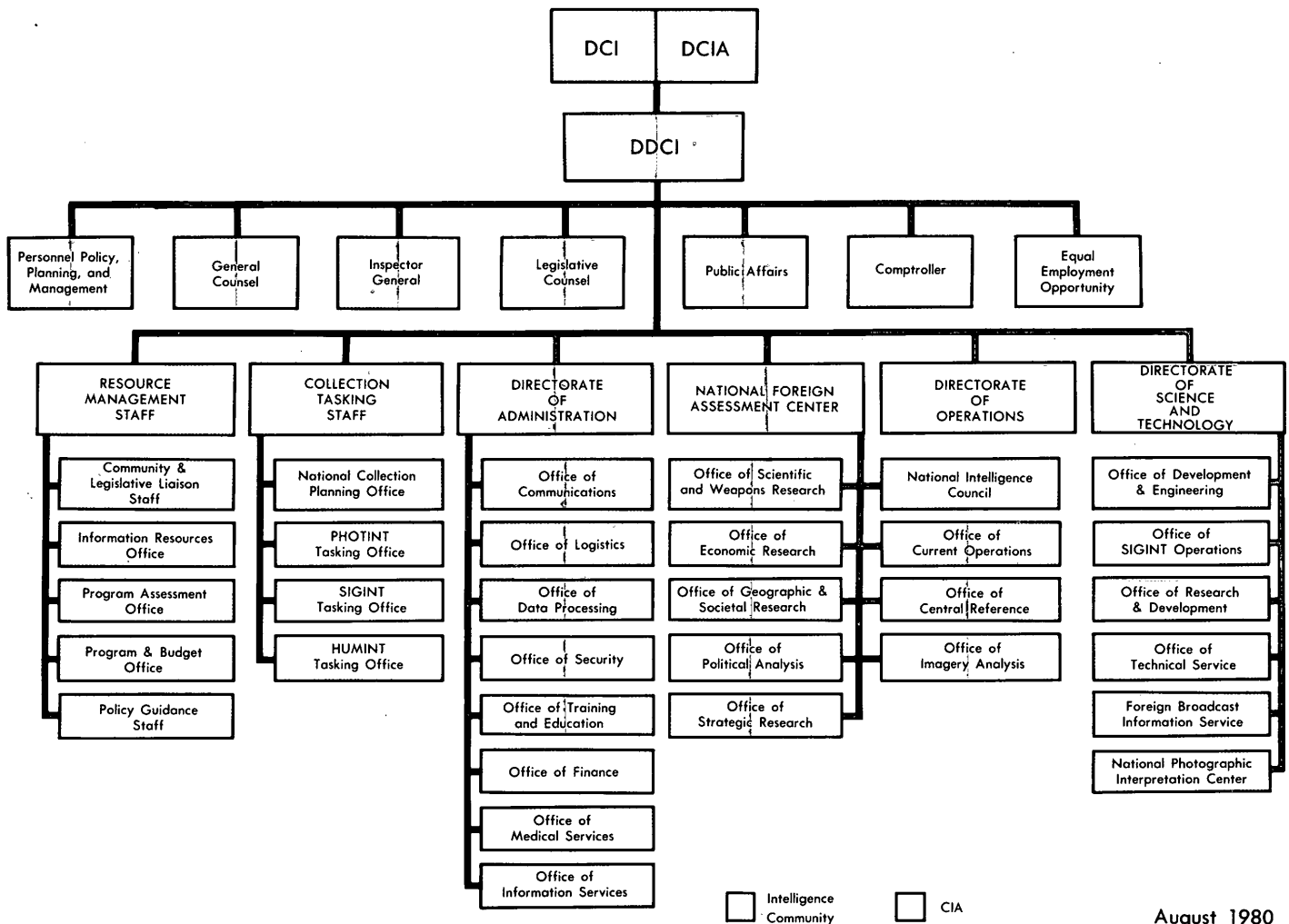
3. The Deputy Director for National Foreign Assessment is the principal adviser to the DCI on the production of national intelligence, both as to how it is accomplished and what it contains. He is responsible for organizing national efforts to assess and evaluate foreign intelligence data in support of national intelligence objectives as established by the National Security Council. He is the Director of the National Foreign Assessment Center and oversees the production of that Center. He also monitors product quality and evaluates product responsiveness.
4. The Deputy Director for Administration is responsible for supporting administratively those Intelligence Community components under the jurisdiction of the DCI as well as performing other tasks as assigned. He will continue to serve all his assigned functions as the Deputy Director for Administration of the CIA.
5. The Deputy Director for Operations and the Deputy Director for Science and Technology will continue to serve all their presently assigned functions for the Central Intelligence Agency.



Organization Under Executive Order 12036



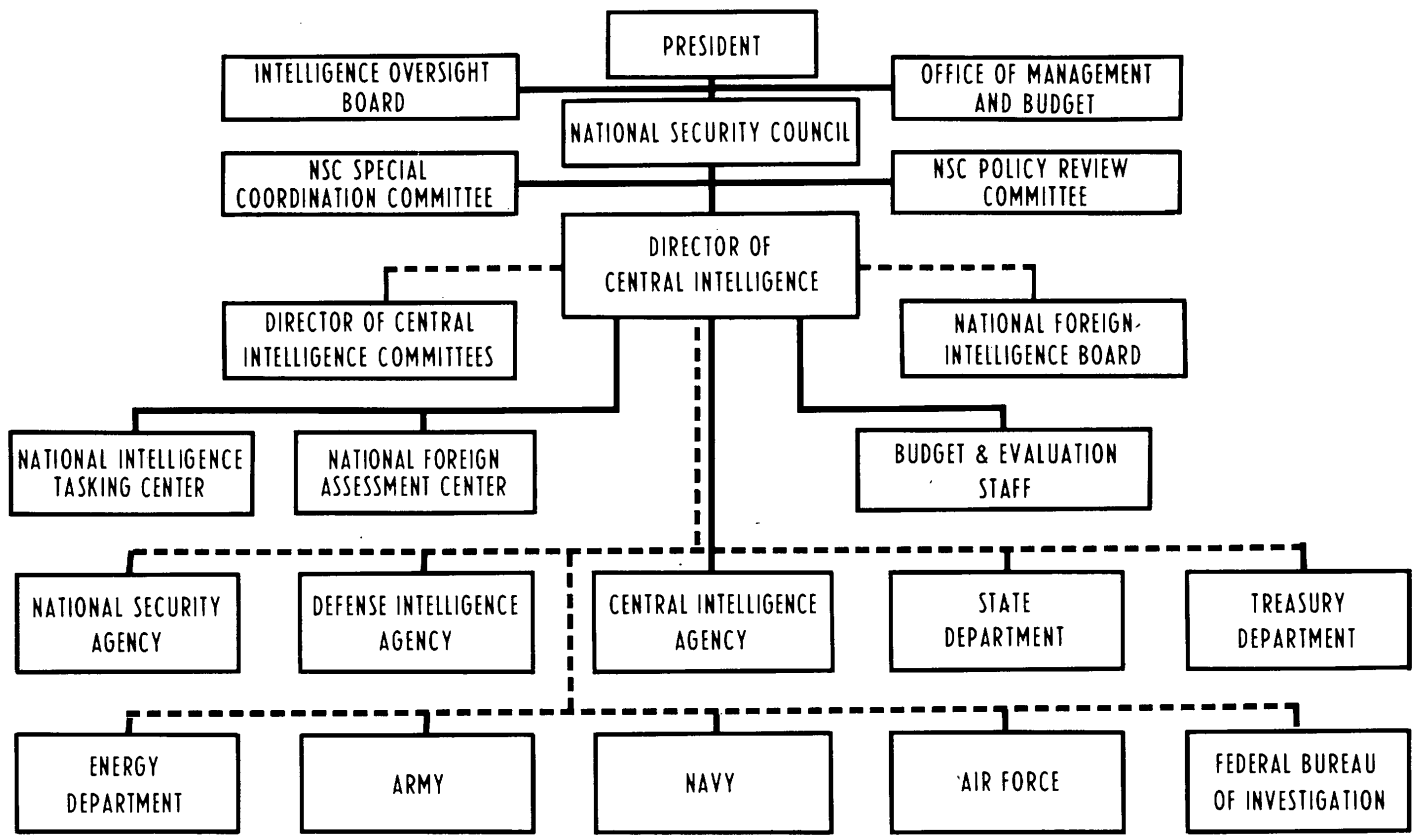
Director of Central Intelligence Command Responsibilities



August 1980

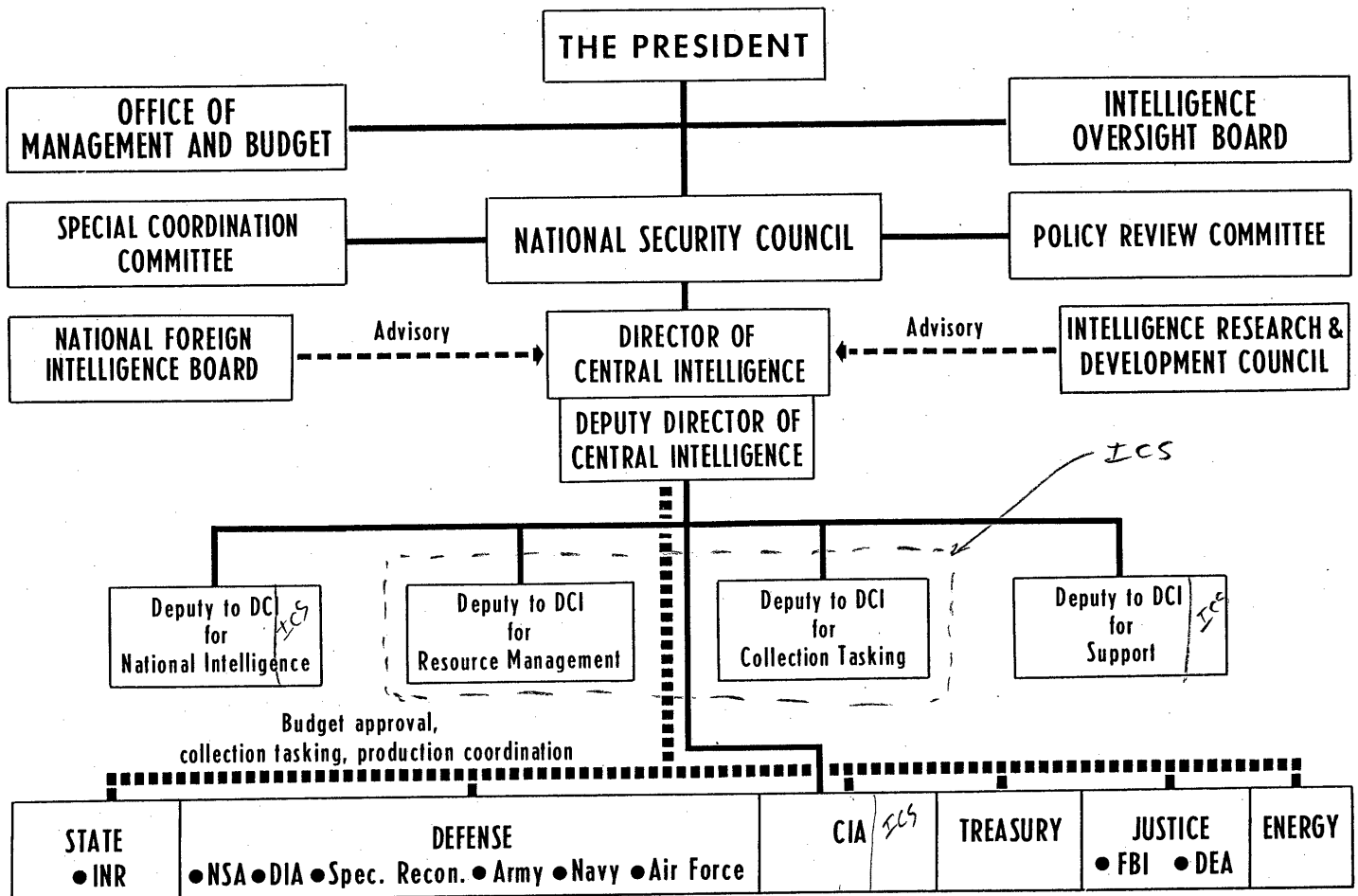
12036

NATIONAL INTELLIGENCE COMMUNITY STRUCTURE



— DIRECTION
- - - RECOMMENDATION/
GUIDANCE/ADVICE

Organization of Intelligence Community Under Executive Order 12036



THE WHITE HOUSE
WASHINGTON, D.C.

~~FOR OFFICIAL USE ONLY~~

August 4, 1977

Presidential Directive/NSC-17

TO: The Secretary of State
 The Secretary of Defense
 The Attorney General
 The Director of Central Intelligence

SUBJECT: Reorganization of the Intelligence Community

I have reviewed the results of the PRM/NSC-11 studies relating to organization of the Intelligence Community and subsequent SCC deliberations and have reached the following conclusions:

1. The National Security Council will continue to act as the highest organizational entity that provides guidance and direction to the development and formulation of national intelligence activities. To this end, the Policy Review Committee, chaired by the DCI and to include the Secretary of State, Secretary of Defense, Secretary of the Treasury, the Assistant to the President for National Security Affairs and other attendees as deemed appropriate by the chairman, will meet as an intelligence requirements committee. The primary function of the PRC intelligence requirement meetings will be to define and prioritize substantive intelligence requirements and evaluate analytical product performance. The PRC will submit semiannual reports to the NSC on its activities.
2. The Director of Central Intelligence will have during peacetime full tasking responsibility and authority for translating PRC-validated national intelligence requirements into specific intelligence collection objectives and targets and assigning these to intelligence collection organizations. For these purposes a National Intelligence Tasking Center jointly manned by civilian and military personnel will be established under the direction of the DCI to task all national intelligence collection systems. The Tasking Center will also

~~FOR OFFICIAL USE ONLY~~

FOR OFFICIAL USE ONLY

be responsible for ensuring that the resulting intelligence flow is routed immediately to relevant components and commands. In periods of crisis or during war the power to task collection facilities may be delegated to the Secretary of Defense upon the express direction of the President.

3. The Director of Central Intelligence will have full and exclusive authority for approval of the National Foreign Intelligence Program (NFIP) budget prior to its presentation (through usual procedures) to the President, for its presentation to Congress, reprogramming of NFIP funds and monitoring program implementation. In response to DCI guidance, the departments and agencies of the NFIP will submit their proposed national program budgets to the DCI and assure that the DCI has all information necessary to perform his budgetary responsibilities. The National Foreign Intelligence Board will advise the DCI on all of his budgetary responsibilities in the same manner as it does on national intelligence production and other activities of common concern.

Department heads will retain the right to reclama DCI budget decisions to the President.

4. The DCI will be provided with adequate staff support to ensure his full access to relevant information and the capability to carry out program audits and evaluation.
5. The Director of Central Intelligence will continue to act as the primary adviser to the National Security Council and the President on substantive foreign intelligence and to have full responsibility for production of national intelligence in appropriate consultation with departmental analytical centers. He will retain all other powers provided to him under relevant statutes and executive orders.
6. Apart from the foregoing, authority to hire and fire personnel and to give day-to-day direction to implement assigned tasks will remain with the heads of the relevant Departments and Agencies. All other organizational and operational arrangements and responsibilities assigned under existing statutes and executive orders shall remain in full effect. Personnel administration, management and support activities, operational implementation of DCI tasking, and audit/inspector general functions will remain as presently assigned under departmental arrangements.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

The Director of Central Intelligence and the Secretary of Defense shall draft an Executive Order to implement the above decisions for review by the NSC Special Coordination Committee and my approval. This will provide the basis for consultation with Congress on the development of appropriate charter legislation.

/s/

Jimmy Carter

FOR OFFICIAL USE ONLY

A. CONTENTS OF PD/NSC-17, 4 AUGUST 1977

1. NSC at top of intelligence bureaucracy.
2. PRC as intelligence requirements committee.
3. DCI to have full tasking responsibility and authority to translate [PRC] requirements into collection objectives and to assign these.
4. NITC under DCI to task all national collection systems and to disseminate the "resulting intelligence flow."
5. DCI to have full and exclusive authority to approve NFIP budget, to reprogram and to monitor program implementation.
6. DCI to have "adequate" staff support to carry out program audits and evaluations.
7. DCI still primary intelligence adviser to NSC and President.
8. DCI has full responsibility for production of national intelligence [in "appropriate" consultation].
9. DCI to retain all existing statutory and E.O. powers.
10. DCI does not have day-to-day control over other departments and agencies.
11. This Directive does not affect existing statutory and E.O. "organizational and operational arrangements and responsibilities."
12. Present "departmental arrangements" as to "personnel administration, management and support activities, operational implementation of DCI tasking, and audit/inspector general functions" remain intact.
13. The new E.O. 11905 is to "provide the basis for consultation with" the Congress on charter legislation.

B. DCI VIEWS AS CONTAINED IN THE MEMORANDUM TO
BRZEZINSKI, 3 SEPTEMBER 1977

1. DCI should retain the basic authorities and duties granted him in the National Security Act.
2. DCI should remain head of CIA.
3. Authorities and duties given the CIA under the National Security Act should be granted the DCI as DCI rather than as head of CIA (in order to be able to assign and transfer these duties and authorities).
4. An "Office of the DCI" should be established as the Director's IC management mechanism as part of the IC.
5. DCI should have statutory flexibility to establish such Deputy Director positions as deemed necessary.
6. DCI should have statutory authority to direct and supervise the collection of foreign intelligence (tasking authority).
7. DCI should have authority to establish necessary mechanisms for tasking authority (and to detail personnel).
8. CIA should be charged with responsibility to collect intelligence and to carry out special projects.
9. DCI should be granted the authority to produce and coordinate intelligence, and should be responsible for producing and disseminating intelligence and for levying analytical tasks.
10. DCI should have full and exclusive authority to approve the NFIP budget.
11. DCI should provide guidance for program and budget development to program managers and heads of component activities.
12. DCI should have exclusive authority to reprogram.

13. DCI should have exclusive authority to utilize the CIA Contingency Reserve.

14. CIA should have its own statutory charter.

15. The administrative and support authorities granted the CIA under the 1949 Act should remain intact and supplemented.

16. DCI should be specifically granted the authority to be the primary adviser to the Congress on intelligence matters.

17. Consideration should be given to establishing a single joint intelligence oversight committee.

C. 5 SEPTEMBER 1977 DRAFT REVISION OF E.O. 11905

1. Defines IC and NFIP as including "staff elements of the Office of the" DCI "that support execution of the Director's" IC responsibilities.

2. Establishes the PRC to establish and prioritize national foreign intelligence requirements.

3. Establishes the SCC to consider, develop, approve and report on special activities and sensitive operations, and to develop policies on counterintelligence.

4. The DCI shall be the President's primary adviser on national foreign intelligence.

5. The DCI shall act as executive head of the CIA.

6. The DCI shall act as executive head of staff elements necessary for the discharge of his IC responsibilities.

7. The DCI shall act as the principal spokesman to the Congress for the IC.

8. The DCI shall have full and exclusive authority for approval of the NFIP budget and shall provide guidance for program and budget development.

9. Heads of component agencies and departments shall consult with the DCI to develop rates of obligation for funds appropriated to elements of the NFIP.

10. The DCI shall have full and exclusive authority to reprogram, subject to guidelines, consultation and Presidential review.

11. The DCI shall have full responsibility to produce and disseminate intelligence subject to appropriate consultation.

12. The DCI shall have authority to levy analytical tasks.

13. The DCI shall direct, operate and control the activities of the NITC.

14. The DCI shall insure implementation of special activities.

15. The DCI shall work with the Attorney General to develop procedures relating to the legality and propriety of intelligence activities.

16. The DCI shall establish such other committees or advisory groups as deemed appropriate.

17. The DCI may appoint officers in the CIA and in the staff elements of the Office of the DCI as necessary, and they shall have such authority as the DCI may prescribe in accordance with statute and E. O.

18. Establishes the NITC under the "direction, control and management" of the DCI; as the Director's "central mechanism" for translating PRC-developed requirements and priorities into collection objectives and targets and for assigning targets and objectives.

19. Establishes the NFIB to advise the DCI.

3674

presidential documents

[3195-01]

Title 3—The President

Executive Order 12036

January 24, 1978

United States Intelligence Activities

By virtue of the authority vested in me by the Constitution and statutes of the United States of America including the National Security Act of 1947, as amended, and as President of the United States of America, in order to provide for the organization and control of United States foreign intelligence activities, it is hereby ordered as follows:

TABLE OF CONTENTS

		<i>(FR page)</i>
SECTION 1	DIRECTION, DUTIES AND RESPONSIBILITIES WITH RESPECT TO THE NATIONAL INTELLIGENCE EFFORT	
1-1	National Security Council	[3675]
1-2	NSC Policy Review Committee	[3675]
1-3	NSC Special Coordination Committee	[3675]
1-4	National Foreign Intelligence Board	[3676]
1-5	National Intelligence Tasking Center	[3677]
1-6	The Director of Central Intelligence	[3677]
1-7	Senior Officials of the Intelligence Community	[3679]
1-8	The Central Intelligence Agency	[3680]
1-9	The Department of State	[3681]
1-10	The Department of the Treasury	[3681]
1-11	The Department of Defense	[3681]
1-12	Intelligence Components Utilized by the Secretary of Defense	[3682]
1-13	The Department of Energy	[3684]
1-14	The Federal Bureau of Investigation	[3684]
1-15	The Drug Enforcement Administration	[3684]
SECTION 2	RESTRICTIONS ON INTELLIGENCE ACTIVITIES	
2-1	Adherence to Law	[3684]
2-2	Restrictions on Certain Collection Techniques	[3685]
2-201	General Provisions	[3685]
2-202	Electronic Surveillance	[3685]
2-203	Television Cameras and Other Monitoring	[3685]
2-204	Physical Searches	[3685]
2-205	Mail Surveillance	[3685]
2-206	Physical Surveillance	[3685]
2-207	Undisclosed Participation in Domestic Organizations	[3686]
2-208	Collection of Nonpublicly Available Information	[3686]
2-3	Additional Restrictions and Limitations	[3687]
2-301	Tax Information	[3687]
2-302	Restrictions on Experimentation	[3687]
2-303	Restrictions on Contracting	[3687]
2-304	Restrictions on Personnel Assigned to Other Agencies	[3687]
2-305	Prohibition on Assassination	[3687]
2-306	Restrictions on Special Activities	[3687]
2-307	Restrictions on Indirect Participation in Prohibited Activities	[3688]
2-308	Restrictions on Assistance to Law Enforcement Authorities	[3688]
2-309	Permissible Assistance to Law Enforcement Authorities	[3688]
2-310	Permissible Dissemination and Storage of Information	[3688]
SECTION 3	OVERSIGHT OF INTELLIGENCE ORGANIZATIONS	
3-1	Intelligence Oversight Board	[3688]
3-2	Inspectors General and General Counsel	[3689]
3-3	Attorney General	[3689]
3-4	Congressional Intelligence Committees	[3689]
SECTION 4	GENERAL PROVISIONS	
4-1	Implementation	[3690]
4-2	Definitions	[3690]

THE PRESIDENT

3675

SECTION I

DIRECTION, DUTIES AND RESPONSIBILITIES WITH RESPECT TO THE NATIONAL INTELLIGENCE EFFORT*

1-1. *National Security Council.*

1-101. *Purpose.* The National Security Council (NSC) was established by the National Security Act of 1947 to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security. The NSC shall act as the highest Executive Branch entity that provides review of, guidance for, and direction to the conduct of all national foreign intelligence and counterintelligence activities.

1-102. *Committees.* The NSC Policy Review Committee and Special Coordination Committee; in accordance with procedures established by the Assistant to the President for National Security Affairs, shall assist in carrying out the NSC's responsibilities in the foreign intelligence field.

1-2. *NSC Policy Review Committee.*

1-201. *Membership.* The NSC Policy Review Committee (PRC), when carrying out responsibilities assigned in this Order, shall be chaired by the Director of Central Intelligence and composed of the Vice President, the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, the Assistant to the President for National Security Affairs, and the Chairman of the Joint Chiefs of Staff, or their designees, and other senior officials, as appropriate.

1-202. *Duties.* The PRC shall:

- (a) Establish requirements and priorities for national foreign intelligence;
- (b) Review the National Foreign Intelligence Program and budget proposals and report to the President as to whether the resource allocations for intelligence capabilities are responsive to the intelligence requirements of the members of the NSC.
- (c) Conduct periodic reviews of national foreign intelligence products, evaluate the quality of the intelligence product, develop policy guidance to ensure quality intelligence and to meet changing intelligence requirements; and
- (d) Submit an annual report on its activities to the NSC.

1-203. *Appeals.* Recommendations of the PRC on intelligence matters may be appealed to the President or the NSC by any member of PRC.

1-3. *NSC Special Coordination Committee.*

1-301. *Membership.* The NSC Special Coordination Committee (SCC) is chaired by the Assistant to the President for National Security Affairs and its membership includes the statutory members of the NSC and other senior officials, as appropriate.

1-302. *Special Activities.* The SCC shall consider and submit to the President a policy recommendation, including all dissents, on each special activity. When meeting for this purpose, the members of the SCC shall include the Secretary of State, the Secretary of Defense, the Attorney General, the Director of the Office of Management and Budget, the Assistant to the President for National Security Affairs, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence.

1-303. *Sensitive Foreign Intelligence Collection Operations.* Under standards established by the President, proposals for sensitive foreign intelligence collection operations shall be reported to the Chairman by the Director of Central Intelligence for appropriate review and approval. When meeting for the purpose of reviewing proposals for sensitive foreign intelligence collection operations,

*Certain technical terms are defined in Section 4-2.

3676

THE PRESIDENT

the members of the SCC shall include the Secretary of State, the Secretary of Defense, the Attorney General, the Assistant to the President for National Security Affairs, the Director of Central Intelligence, and such other members designated by the Chairman to ensure proper consideration of these operations.

1-304. *Counterintelligence.* The SCC shall develop policy with respect to the conduct of counterintelligence activities. When meeting for this purpose the members of the SCC shall include the Secretary of State, the Secretary of Defense, the Attorney General, the Director of the Office of Management and Budget, the Assistant to the President for National Security Affairs, the Chairman of the Joint Chiefs of Staff, the Director of Central Intelligence, and the Director of the FBI. The SCC's counterintelligence functions shall include:

- (a) Developing standards and doctrine for the counterintelligence activities of the United States;
- (b) Resolving interagency differences concerning implementation of counterintelligence policy;
- (c) Developing and monitoring guidelines consistent with this Order for the maintenance of central records of counterintelligence information;
- (d) Submitting to the President an overall annual assessment of the relative threat to United States interests from intelligence and security services of foreign powers and from international terrorist activities, including an assessment of the effectiveness of the United States counterintelligence activities; and
- (e) Approving counterintelligence activities which, under such standards as may be established by the President, require SCC approval.

1-305. *Required Membership.* The SCC shall discharge the responsibilities assigned by sections 1-302 through 1-304 only after consideration in a meeting at which all designated members are present or, in unusual circumstances when any such member is unavailable, when a designated representative of the member attends.

1-306. *Additional Duties.* The SCC shall also:

- (a) Conduct an annual review of ongoing special activities and sensitive national foreign intelligence collection operations and report thereon to the NSC; and
- (b) Carry out such other coordination and review activities as the President may direct.

1-307. *Appeals.* Any member of the SCC may appeal any decision to the President or the NSC.

1-4. National Foreign Intelligence Board.

1-401. *Establishment and Duties.* There is established a National Foreign Intelligence Board (NFIB) to advise the Director of Central Intelligence concerning:

- (a) Production, review, and coordination of national foreign intelligence;
- (b) The National Foreign Intelligence Program budget;
- (c) Interagency exchanges of foreign intelligence information;
- (d) Arrangements with foreign governments on intelligence matters;
- (e) The protection of intelligence sources and methods;
- (f) Activities of common concern; and
- (g) Other matters referred to it by the Director of Central Intelligence.

1-402. *Membership.* The NFIB shall be chaired by the Director of Central Intelligence and shall include other appropriate officers of the CIA, the Office of the Director of Central Intelligence, the Department of State, the Department of Defense, the Department of Justice, the Department of the Treasury, the Department of Energy, the Defense Intelligence Agency, the offices within the Department of Defense for reconnaissance programs, the National Security Agency and the FBI. A representative of the Assistant to the President for National Security Affairs may attend meetings of the NFIB as an observer.

THE PRESIDENT

3677

1-403. *Restricted Membership and Observers.* When the NFIB meets for the purpose of section 1-401(a), it shall be composed solely of the senior intelligence officers of the designated agencies. The senior intelligence officers of the Army, Navy and Air Force may attend all meetings of the NFIB as observers.

1-5. *National Intelligence Tasking Center.*

1-501. *Establishment.* There is established a National Intelligence Tasking Center (NITC) under the direction, control and management of the Director of Central Intelligence for coordinating and tasking national foreign intelligence collection activities. The NITC shall be staffed jointly by civilian and military personnel including designated representatives of the chiefs of each of the Department of Defense intelligence organizations engaged in national foreign intelligence activities. Other agencies within the Intelligence Community may also designate representatives.

1-502. *Responsibilities.* The NITC shall be the central mechanism by which the Director of Central Intelligence:

(a) Translates national foreign intelligence requirements and priorities developed by the PRC into specific collection objectives and targets for the Intelligence Community;

(b) Assigns targets and objectives to national foreign intelligence collection organizations and systems;

(c) Ensures the timely dissemination and exploitation of data for national foreign intelligence purposes gathered by national foreign intelligence collection means, and ensures the resulting intelligence flow is routed immediately to relevant components and commands;

(d) Provides advisory tasking concerning collection of national foreign intelligence to departments and agencies having information collection capabilities or intelligence assets that are not a part of the National Foreign Intelligence Program. Particular emphasis shall be placed on increasing the contribution of departments or agencies to the collection of information through overt means.

1-503. *Resolution of Conflicts.* The NITC shall have the authority to resolve conflicts of priority. Any PRC member may appeal such a resolution to the PRC; pending the PRC's decision, the tasking remains in effect.

1-504. *Transfer of Authority.* All responsibilities and authorities of the Director of Central Intelligence concerning the NITC shall be transferred to the Secretary of Defense upon the express direction of the President. To maintain readiness for such transfer, the Secretary of Defense shall, with advance agreement of the Director of Central Intelligence, assume temporarily during regular practice exercises all responsibilities and authorities of the Director of Central Intelligence concerning the NITC.

1-6. *The Director of Central Intelligence.*

1-601. *Duties.* The Director of Central Intelligence shall be responsible directly to the NSC and, in addition to the duties specified elsewhere in this Order, shall:

(a) Act as the primary adviser to the President and the NSC on national foreign intelligence and provide the President and other officials in the Executive Branch with national foreign intelligence;

(b) Be the head of the CIA and of such staff elements as may be required for discharge of the Director's Intelligence Community responsibilities;

(c) Act, in appropriate consultation with the departments and agencies, as the Intelligence Community's principal spokesperson to the Congress, the news media and the public, and facilitate the use of national foreign intelligence products by the Congress in a secure manner;

(d) Develop, consistent with the requirements and priorities established by the PRC, such objectives and guidance for the Intelligence Community as will

THE PRESIDENT

enhance capabilities for responding to expected future needs for national foreign intelligence;

(e) Promote the development and maintenance of services of common concern by designated foreign intelligence organizations on behalf of the Intelligence Community;

(f) Ensure implementation of special activities;

(g) Formulate policies concerning intelligence arrangements with foreign governments, and coordinate intelligence relationships between agencies of the Intelligence Community and the intelligence or internal security services of foreign governments;

(h) Conduct a program to protect against overclassification of foreign intelligence information;

(i) Ensure the establishment by the Intelligence Community of common security and access standards for managing and handling foreign intelligence systems, information and products;

(j) Participate in the development of procedures required to be approved by the Attorney General governing the conduct of intelligence activities;

(k) Establish uniform criteria for the determination of relative priorities for the transmission of critical national foreign intelligence, and advise the Secretary of Defense concerning the communications requirements of the Intelligence Community for the transmission of such intelligence;

(l) Provide appropriate intelligence to departments and agencies not within the Intelligence Community; and

(m) Establish appropriate committees or other advisory groups to assist in the execution of the foregoing responsibilities.

1-602. *National Foreign Intelligence Program Budget.* The Director of Central Intelligence shall, to the extent consistent with applicable law, have full and exclusive authority for approval of the National Foreign Intelligence Program budget submitted to the President. Pursuant to this authority:

(a) The Director of Central Intelligence shall provide guidance for program and budget development to program managers and heads of component activities and to department and agency heads;

(b) The heads of departments and agencies involved in the National Foreign Intelligence Program shall ensure timely development and submission to the Director of Central Intelligence of proposed national programs and budgets in the format designated by the Director of Central Intelligence, by the program managers and heads of component activities, and shall also ensure that the Director of Central Intelligence is provided, in a timely and responsive manner, all information necessary to perform the Director's program and budget responsibilities;

(c) The Director of Central Intelligence shall review and evaluate the national program and budget submissions and, with the advice of the NFIB and the departments and agencies concerned, develop the consolidated National Foreign Intelligence Program budget and present it to the President through the Office of Management and Budget;

(d) The Director of Central Intelligence shall present and justify the National Foreign Intelligence Program budget to the Congress;

(e) The heads of the departments and agencies shall, in consultation with the Director of Central Intelligence, establish rates of obligation for appropriated funds;

(f) The Director of Central Intelligence shall have full and exclusive authority for reprogramming National Foreign Intelligence Program funds, in accord with guidelines established by the Office of Management and Budget, but shall do so only after consultation with the head of the department affected and appropriate consultation with the Congress;

THE PRESIDENT

(g) The departments and agencies may appeal to the President decisions by the Director of Central Intelligence on budget or reprogramming matters of the National Foreign Intelligence Program.

(h) The Director of Central Intelligence shall monitor National Foreign Intelligence Program implementation and may conduct program and performance audits and evaluations.

1-603. *Responsibility For National Foreign Intelligence.* The Director of Central Intelligence shall have full responsibility for production and dissemination of national foreign intelligence and have authority to levy analytic tasks on departmental intelligence production organizations, in consultation with those organizations. In doing so, the Director of Central Intelligence shall ensure that diverse points of view are considered fully and that differences of judgment within the Intelligence Community are brought to the attention of national policymakers.

1-604. *Protection of Sources, Methods and Procedures.* The Director of Central Intelligence shall ensure that programs are developed which protect intelligence sources, methods and analytical procedures, provided that this responsibility shall be limited within the United States to:

(a) Using lawful means to protect against disclosure by present or former employees of the CIA or the Office of the Director of Central Intelligence, or by persons or organizations presently or formerly under contract with such entities; and

(b) Providing policy, guidance and technical assistance to departments and agencies regarding protection of intelligence information, including information that may reveal intelligence sources and methods.

1-605. *Responsibility of Executive Branch Agencies.* The heads of all Executive Branch departments and agencies shall, in accordance with law and relevant Attorney General procedures, give the Director of Central Intelligence access to all information relevant to the national intelligence needs of the United States and shall give due consideration to requests from the Director of Central Intelligence for appropriate support for CIA activities.

1-606. *Access to CIA Intelligence.* The Director of Central Intelligence, shall, in accordance with law and relevant Attorney General procedures, give the heads of the departments and agencies access to all intelligence, developed by the CIA or the staff elements of the Office of the Director of Central Intelligence, relevant to the national intelligence needs of the departments and agencies.

1-7. *Senior Officials of the Intelligence Community.* The senior officials of each of the agencies within the Intelligence Community shall:

1-701. Ensure that all activities of their agencies are carried out in accordance with applicable law;

1-702. Make use of the capabilities of other agencies within the Intelligence Community in order to achieve efficiency and mutual assistance;

1-703. Contribute in their areas of responsibility to the national foreign intelligence products;

1-704. Establish internal policies and guidelines governing employee conduct and ensure that such are made known to each employee;

1-705. Provide for strong, independent, internal means to identify, inspect, and report on unlawful or improper activity;

1-706. Report to the Attorney General evidence of possible violations of federal criminal law by an employee of their department or agency, and report to the Attorney General evidence of possible violations by any other person of those federal criminal laws specified in guidelines adopted by the Attorney General;

THE PRESIDENT

.3680

1-707. In any case involving serious or continuing breaches of security, recommend to the Attorney General that the case be referred to the FBI for further investigation;

1-708. Furnish the Director of Central Intelligence, the PRC and the SCC, in accordance with applicable law and Attorney General procedures, the information required for the performance of their respective duties;

1-709. Report to the Intelligence Oversight Board, and keep the Director of Central Intelligence appropriately informed, concerning any intelligence activities of their organizations which raise questions of legality or propriety;

1-710. Protect intelligence and intelligence sources and methods consistent with guidance from the Director of Central Intelligence and the NSC;

1-711. Disseminate intelligence to cooperating foreign governments under arrangements established or agreed to by the Director of Central Intelligence;

1-712. Execute programs to protect against overclassification of foreign intelligence;

1-713. Instruct their employees to cooperate fully with the Intelligence Oversight Board; and

1-714. Ensure that the Inspectors General and General Counsel of their agencies have access to any information necessary to perform their duties assigned by this Order.

1-8. *The Central Intelligence Agency.* All duties and responsibilities of the CIA shall be related to the intelligence functions set out below. As authorized by the National Security Act of 1947, as amended, the CIA Act of 1949, as amended, and other laws, regulations and directives, the CIA, under the direction of the NSC, shall:

1-801. Collect foreign intelligence, including information not otherwise obtainable, and develop, conduct, or provide support for technical and other programs which collect national foreign intelligence. The collection of information within the United States shall be coordinated with the FBI as required by procedures agreed upon by the Director of Central Intelligence and the Attorney General;

1-802. Produce and disseminate foreign intelligence relating to the national security, including foreign political, economic, scientific, technical, military, geographic and sociological intelligence to meet the needs of the President, the NSC, and other elements of the United States Government;

1-803. Collect, produce and disseminate intelligence on foreign aspects of narcotics production and trafficking;

1-804. Conduct counterintelligence activities outside the United States and coordinate counterintelligence activities conducted outside the United States by other agencies within the Intelligence Community;

1-805. Without assuming or performing any internal security functions, conduct counterintelligence activities within the United States, but only in coordination with the FBI and subject to the approval of the Attorney General;

1-806. Produce and disseminate counterintelligence studies and reports;

1-807. Coordinate the collection outside the United States of intelligence information not otherwise obtainable;

1-808. Conduct special activities approved by the President and carry out such activities consistent with applicable law;

1-809. Conduct services of common concern for the Intelligence Community as directed by the NSC;

1-810. Carry out or contract for research, development and procurement of technical systems and devices relating to authorized functions;

1-811. Protect the security of its installations, activities, information and personnel by appropriate means, including such investigations of applicants,

employees, contractors, and other persons with similar associations with the CIA as are necessary;

1-812. Conduct such administrative and technical support activities within and outside the United States as are necessary to perform the functions described in sections 1-801 through 1-811 above, including procurement and essential cover and proprietary arrangements.

1-813. Provide legal and legislative services and other administrative support to the Office of the Director of Central Intelligence.

1-9. *The Department of State.* The Secretary of State shall:

1-901. Overtly collect foreign political, sociological, economic, scientific, technical, political-military and associated biographic information;

1-902. Produce and disseminate foreign intelligence relating to United States foreign policy as required for the execution of the Secretary's responsibilities;

1-903. Disseminate, as appropriate, reports received from United States diplomatic and consular posts abroad;

1-904. Coordinate with the Director of Central Intelligence to ensure that national foreign intelligence activities are useful to and consistent with United States foreign policy;

1-905. Transmit reporting requirements of the Intelligence Community to the Chiefs of United States Missions abroad; and

1-906. Support Chiefs of Mission in discharging their statutory responsibilities for direction and coordination of mission activities.

1-10. *The Department of the Treasury.* The Secretary of the Treasury shall:

1-1001. Overtly collect foreign financial and monetary information;

1-1002. Participate with the Department of State in the overt collection of general foreign economic information;

1-1003. Produce and disseminate foreign intelligence relating to United States economic policy as required for the execution of the Secretary's responsibilities; and

1-1004. Conduct, through the United States Secret Service, activities to determine the existence and capability of surveillance equipment being used against the President of the United States, the Executive Office of the President, and, as authorized by the Secretary of the Treasury or the President, other Secret Service protectees and United States officials. No information shall be acquired intentionally through such activities except to protect against such surveillance, and those activities shall be conducted pursuant to procedures agreed upon by the Secretary of the Treasury and the Attorney General.

1-11. *The Department of Defense.* The Secretary of Defense shall:

1-1101. Collect national foreign intelligence and be responsive to collection tasking by the NITC;

1-1102. Collect, produce and disseminate foreign military and military-related intelligence information, including scientific, technical, political, geographic and economic information as required for execution of the Secretary's responsibilities;

1-1103. Conduct programs and missions necessary to fulfill national and tactical foreign intelligence requirements;

1-1104. Conduct counterintelligence activities in support of Department of Defense components outside the United States in coordination with the CIA, and within the United States in coordination with the FBI pursuant to procedures agreed upon by the Secretary of Defense and the Attorney General, and produce and disseminate counterintelligence studies and reports;

3682

THE PRESIDENT

1-1105. Direct, operate, control and provide fiscal management for the National Security Agency and for defense and military intelligence and national reconnaissance entities;

1-1106. Conduct, as the executive agent of the United States Government, signals intelligence and communications security activities, except as otherwise directed by the NSC;

1-1107. Provide for the timely transmission of critical intelligence, as defined by the Director of Central Intelligence, within the United States Government;

1-1108. Review budget data and information on Department of Defense programs within the National Foreign Intelligence Program and review budgets submitted by program managers to the Director of Central Intelligence to ensure the appropriate relationship of the National Foreign Intelligence Program elements to the other elements of the Defense program;

1-1109. Monitor, evaluate and conduct performance audits of Department of Defense intelligence programs;

1-1110. Carry out or contract for research, development and procurement of technical systems and devices relating to authorized intelligence functions;

1-1111. Together with the Director of Central Intelligence, ensure that there is no unnecessary overlap between national foreign intelligence programs and Department of Defense intelligence programs and provide the Director of Central Intelligence all information necessary for this purpose;

1-1112. Protect the security of Department of Defense installations, activities, information and personnel by appropriate means including such investigations of applicants, employees, contractors and other persons with similar associations with the Department of Defense as are necessary; and

1-1113. Conduct such administrative and technical support activities within and outside the United States as are necessary to perform the functions described in sections 1-1101 through 1-1112 above.

1-12. *Intelligence Components Utilized by the Secretary of Defense.* In carrying out the responsibilities assigned in sections 1-1101 through 1-1113, the Secretary of Defense is authorized to utilize the following:

1-1201. *Defense Intelligence Agency*, whose responsibilities shall include:

(a) Production or, through tasking and coordination, provision of military and military-related intelligence for the Secretary of Defense, the Joint Chiefs of Staff, other Defense components, and, as appropriate, non-Defense agencies;

(b) Provision of military intelligence for national foreign intelligence products;

(c) Coordination of all Department of Defense intelligence collection requirements for departmental needs;

(d) Management of the Defense Attache system; and

(e) Provision of foreign intelligence and counterintelligence staff support as directed by the Joint Chiefs of Staff.

1-1202. *National Security Agency (NSA)*, whose responsibilities shall include:

(a) Establishment and operation of an effective unified organization for signals intelligence activities, except for the delegation of operational control over certain operations that are conducted through other elements of the Intelligence Community. No other department or agency may engage in signals intelligence activities except pursuant to a delegation by the Secretary of Defense;

(b) Control of signals intelligence collection and processing activities, including assignment of resources to an appropriate agent for such periods and tasks as required for the direct support of military commanders;

(c) Collection of signals intelligence information for national foreign intelligence purposes in accordance with tasking by the NITC;

(d) Processing of signals intelligence data for national foreign intelligence purposes consistent with standards for timeliness established by the Director of Central Intelligence;

(e) Dissemination of signals intelligence information for national foreign intelligence purposes to authorized elements of the Government, including the military services, in accordance with guidance from the NITC;

(f) Collection, processing, and dissemination of signals intelligence information for counterintelligence purposes;

(g) Provision of signals intelligence support for the conduct of military operations in accordance with tasking, priorities and standards of timeliness assigned by the Secretary of Defense. If provision of such support requires use of national collection systems, these systems will be tasked within existing guidance from the Director of Central Intelligence;

(h) Executing the responsibilities of the Secretary of Defense as executive agent for the communications security of the United States Government;

(i) Conduct of research and development to meet needs of the United States for signals intelligence and communications security;

(j) Protection of the security of its installations, activities, information and personnel by appropriate means including such investigations of applicants, employees, contractors and other persons with similar associations with the NSA as are necessary; and

(k) Prescribing, within its field of authorized operations, security regulations covering operating practices, including the transmission, handling and distribution of signals intelligence and communications security material within and among the elements under control of the Director of the NSA, and exercising the necessary supervisory control to ensure compliance with the regulations.

1-1203. *Offices for the collection of specialized intelligence through reconnaissance programs*, whose responsibilities shall include:

(a) Carrying out consolidated reconnaissance programs for specialized intelligence;

(b) Responding to tasking through the NITC; and

(c) Delegating authority to the various departments and agencies for research, development, procurement, and operation of designated means of collection.

1-1204. *The foreign intelligence and counterintelligence elements of the military services*, whose responsibilities shall include:

(a) Collection, production and dissemination of military and military-related foreign intelligence, including information on indications and warnings, foreign capabilities, plans and weapons systems, scientific and technical developments and narcotics production and trafficking. When collection is conducted in response to national foreign intelligence requirements, it will be tasked by the NITC. Collection of national foreign intelligence, not otherwise obtainable, outside the United States shall be coordinated with the CIA, and such collection within the United States shall be coordinated with the FBI;

(b) Conduct of counterintelligence activities outside the United States in coordination with the CIA, and within the United States in coordination with the FBI, and production and dissemination of counterintelligence studies or reports; and

(c) Monitoring of the development, procurement and management of tactical intelligence systems and equipment and conducting related research, development, and test and evaluation activities.

1-1205. *Other offices within the Department of Defense* appropriate for conduct of the intelligence missions and responsibilities assigned to the Secretary of Defense. If such other offices are used for intelligence purposes, the provisions of Sections 2-101 through 2-309 of this Order shall apply to those offices when used for those purposes.

THE PRESIDENT

1-13. *The Department of Energy.* The Secretary of Energy shall:

1-1301. Participate with the Department of State in overtly collecting political, economic and technical information with respect to foreign energy matters;

1-1302. Produce and disseminate foreign intelligence necessary for the Secretary's responsibilities;

1-1303. Participate in formulating intelligence collection and analysis requirements where the special expert capability of the Department can contribute; and

1-1304. Provide expert technical, analytical and research capability to other agencies within the Intelligence Community.

1-14. *The Federal Bureau of Investigation.* Under the supervision of the Attorney General and pursuant to such regulations as the Attorney General may establish, the Director of the FBI shall:

1-1401. Within the United States conduct counterintelligence and coordinate counterintelligence activities of other agencies within the Intelligence Community. When a counterintelligence activity of the FBI involves military or civilian personnel of the Department of Defense, the FBI shall coordinate with the Department of Defense;

1-1402. Conduct counterintelligence activities outside the United States in coordination with the CIA, subject to the approval of the Director of Central Intelligence;

1-1403. Conduct within the United States, when requested by officials of the Intelligence Community designated by the President, lawful activities undertaken to collect foreign intelligence or support foreign intelligence collection requirements of other agencies within the Intelligence Community;

1-1404. Produce and disseminate foreign intelligence, counterintelligence and counterintelligence studies and reports; and

1-1405. Carry out or contract for research, development and procurement of technical systems and devices relating to the functions authorized above.

1-15. *The Drug Enforcement Administration.* Under the supervision of the Attorney General and pursuant to such regulations as the Attorney General may establish, the Administrator of DEA shall:

1-1501. Collect, produce and disseminate intelligence on the foreign and domestic aspects of narcotics production and trafficking in coordination with other agencies with responsibilities in these areas;

1-1502. Participate with the Department of State in the overt collection of general foreign political, economic and agricultural information relating to narcotics production and trafficking; and

1-1503. Coordinate with the Director of Central Intelligence to ensure that the foreign narcotics intelligence activities of DEA are consistent with other foreign intelligence programs.

SECTION 2**RESTRICTIONS ON INTELLIGENCE ACTIVITIES**

2-1. *Adherence to Law.*

2-101. *Purpose.* Information about the capabilities, intentions and activities of foreign powers, organizations, or persons and their agents is essential to informed decision-making in the areas of national defense and foreign relations. The measures employed to acquire such information should be responsive to legitimate governmental needs and must be conducted in a manner that preserves and respects established concepts of privacy and civil liberties.

2-102. *Principles of Interpretation.* Sections 2-201 through 2-309 set forth limitations which, in addition to other applicable laws, are intended to achieve

THE PRESIDENT

3685

the proper balance between protection of individual rights and acquisition of essential information. Those sections do not authorize any activity not authorized by sections 1-101 through 1-1503 and do not provide any exemption from any other law.

2-2. *Restrictions on Certain Collection Techniques.*

2-201. *General Provisions.*

(a) The activities described in Sections 2-202 through 2-208 shall be undertaken only as permitted by this Order and by procedures established by the head of the agency concerned and approved by the Attorney General. Those procedures shall protect constitutional rights and privacy, ensure that information is gathered by the least intrusive means possible, and limit use of such information to lawful governmental purposes.

(b) Activities described in sections 2-202 through 2-205 for which a warrant would be required if undertaken for law enforcement rather than intelligence purposes shall not be undertaken against a United States person without a judicial warrant, unless the President has authorized the type of activity involved and the Attorney General has both approved the particular activity and determined that there is probable cause to believe that the United States person is an agent of a foreign power.

2-202. *Electronic Surveillance.* The CIA may not engage in any electronic surveillance within the United States. No agency within the Intelligence Community shall engage in any electronic surveillance directed against a United States person abroad or designed to intercept a communication sent from, or intended for receipt within, the United States except as permitted by the procedures established pursuant to section 2-201. Training of personnel by agencies in the Intelligence Community in the use of electronic communications equipment, testing by such agencies of such equipment, and the use of measures to determine the existence and capability of electronic surveillance equipment being used unlawfully shall not be prohibited and shall also be governed by such procedures. Such activities shall be limited in scope and duration to those necessary to carry out the training, testing or countermeasures purpose. No information derived from communications intercepted in the course of such training, testing or use of countermeasures may be retained or used for any other purpose.

2-203. *Television Cameras and Other Monitoring.* No agency within the Intelligence Community shall use any electronic or mechanical device surreptitiously and continuously to monitor any person within the United States, or any United States person abroad, except as permitted by the procedures established pursuant to Section 2-201.

2-204. *Physical Searches.* No agency within the Intelligence Community except the FBI may conduct any unconsented physical searches within the United States. All such searches conducted by the FBI, as well as all such searches conducted by any agency within the Intelligence Community outside the United States and directed against United States persons, shall be undertaken only as permitted by procedures established pursuant to Section 2-201.

2-205. *Mail Surveillance.* No agency within the Intelligence Community shall open mail or examine envelopes in United States postal channels, except in accordance with applicable statutes and regulations. No agency within the Intelligence Community shall open mail of a United States person abroad except as permitted by procedures established pursuant to Section 2-201.

2-206. *Physical Surveillance.* The FBI may conduct physical surveillance directed against United States persons or others only in the course of a lawful investigation. Other agencies within the Intelligence Community may not undertake any physical surveillance directed against a United States person unless:

THE PRESIDENT

(a) The surveillance is conducted outside the United States and the person being surveilled is reasonably believed to be acting on behalf of a foreign power; engaging in international terrorist activities, or engaging in narcotics production or trafficking;

(b) The surveillance is conducted solely for the purpose of identifying a person who is in contact with someone who is the subject of a foreign intelligence or counterintelligence investigation; or

(c) That person is being surveilled for the purpose of protecting foreign intelligence and counterintelligence sources and methods from unauthorized disclosure or is the subject of a lawful counterintelligence, personnel, physical or communications security investigation.

(d) No surveillance under paragraph (c) of this section may be conducted within the United States unless the person being surveilled is a present employee, intelligence agency contractor or employee of such a contractor, or is a military person employed by a non-intelligence element of a military service. Outside the United States such surveillance may also be conducted against a former employee, intelligence agency contractor or employee of a contractor or a civilian person employed by a non-intelligence element of an agency within the Intelligence Community. A person who is in contact with such a present or former employee or contractor may also be surveilled, but only to the extent necessary to identify that person.

2-207. *Undisclosed Participation in Domestic Organizations.* No employees may join, or otherwise participate in, any organization within the United States on behalf of any agency within the Intelligence Community without disclosing their intelligence affiliation to appropriate officials of the organization, except as permitted by procedures established pursuant to Section 2-201. Such procedures shall provide for disclosure of such affiliation in all cases unless the agency head or a designee approved by the Attorney General finds that non-disclosure is essential to achieving lawful purposes, and that finding is subject to review by the Attorney General. Those procedures shall further limit undisclosed participation to cases where:

(a) The participation is undertaken on behalf of the FBI in the course of a lawful investigation;

(b) The organization concerned is composed primarily of individuals who are not United States persons and is reasonably believed to be acting on behalf of a foreign power; or

(c) The participation is strictly limited in its nature, scope and duration to that necessary for other lawful purposes relating to foreign intelligence and is a type of participation approved by the Attorney General and set forth in a public document. No such participation may be undertaken for the purpose of influencing the activity of the organization or its members.

2-208. *Collection of Nonpublicly Available Information.* No agency within the Intelligence Community may collect, disseminate or store information concerning the activities of United States persons that is not available publicly, unless it does so with their consent or as permitted by procedures established pursuant to Section 2-201. Those procedures shall limit collection, storage or dissemination to the following types of information:

(a) Information concerning corporations or other commercial organizations or activities that constitutes foreign intelligence or counterintelligence;

(b) Information arising out of a lawful counterintelligence or personnel, physical or communications security investigation;

(c) Information concerning present or former employees, present or former intelligence agency contractors or their present or former employees, or applicants for any such employment or contracting, which is needed to protect foreign intelligence or counterintelligence sources or methods from unauthorized disclosure;

THE PRESIDENT

3687

(d) Information needed solely to identify individuals in contact with those persons described in paragraph (c) of this section or with someone who is the subject of a lawful foreign intelligence or counterintelligence investigation;

(e) Information concerning persons who are reasonably believed to be potential sources or contacts, but only for the purpose of determining the suitability or credibility of such persons;

(f) Information constituting foreign intelligence or counterintelligence gathered abroad or from electronic surveillance conducted in compliance with Section 2-202 or from cooperating sources in the United States;

(g) Information about a person who is reasonably believed to be acting on behalf of a foreign power, engaging in international terrorist activities or narcotics production or trafficking, or endangering the safety of a person protected by the United States Secret Service or the Department of State;

(h) Information acquired by overhead reconnaissance not directed at specific United States persons;

(i) Information concerning United States persons abroad that is obtained in response to requests from the Department of State for support of its consular responsibilities relating to the welfare of those persons;

(j) Information collected, received, disseminated or stored by the FBI and necessary to fulfill its lawful investigative responsibilities; or

(k) Information concerning persons or activities that pose a clear threat to any facility or personnel of an agency within the Intelligence Community. Such information may be retained only by the agency threatened and, if appropriate, by the United States Secret Service and the FBI.

2-3. *Additional Restrictions and Limitations.*

2-301. *Tax Information.* No agency within the Intelligence Community shall examine tax returns or tax information except as permitted by applicable law.

2-302. *Restrictions on Experimentation.* No agency within the Intelligence Community shall sponsor, contract for, or conduct research on human subjects except in accordance with guidelines issued by the Department of Health, Education and Welfare. The subject's informed consent shall be documented as required by those guidelines.

2-303. *Restrictions on Contracting.* No agency within the Intelligence Community shall enter into a contract or arrangement for the provision of goods or services with private companies or institutions in the United States unless the agency sponsorship is known to the appropriate officials of the company or institution. In the case of any company or institution other than an academic institution, intelligence agency sponsorship may be concealed where it is determined, pursuant to procedures approved by the Attorney General, that such concealment is necessary to maintain essential cover or proprietary arrangements for authorized intelligence purposes.

2-304. *Restrictions on Personnel Assigned to Other Agencies.* An employee detailed to another agency within the federal government shall be responsible to the host agency and shall not report to the parent agency on the affairs of the host agency unless so directed by the host agency. The head of the host agency, and any successor, shall be informed of the employee's relationship with the parent agency.

2-305. *Prohibition on Assassination.* No person employed by or acting on behalf of the United States Government shall engage in, or conspire to engage in, assassination.

2-306. *Restrictions on Special Activities.* No component of the United States Government except an agency within the Intelligence Community may conduct any special activity. No such agency except the CIA (or the military services in wartime) may conduct any special activity unless the President determines, with

the SCC's advice, that another agency is more likely to achieve a particular objective.

2-307. *Restrictions on Indirect Participation in Prohibited Activities.* No agency of the Intelligence Community shall request or otherwise encourage, directly or indirectly, any person, organization, or government agency to undertake activities forbidden by this Order or by applicable law.

2-308. *Restrictions on Assistance to Law Enforcement Authorities.* Agencies within the Intelligence Community other than the FBI shall not, except as expressly authorized by law:

(a) Provide services, equipment, personnel or facilities to the Law Enforcement Assistance Administration (or its successor agencies) or to state or local police organizations of the United States; or

(b) Participate in or fund any law enforcement activity within the United States.

2-309. *Permissible Assistance to Law Enforcement Authorities.* The restrictions in Section 2-308 shall not preclude:

(a) Cooperation with appropriate law enforcement agencies for the purpose of protecting the personnel and facilities of any agency within the Intelligence Community;

(b) Participation in law enforcement activities, in accordance with law and this Order, to investigate or prevent clandestine intelligence activities by foreign powers, international narcotics production and trafficking, or international terrorist activities; or

(c) Provision of specialized equipment, technical knowledge, or assistance of expert personnel for use by any department or agency or, when lives are endangered, to support local law enforcement agencies. Provision of assistance by expert personnel shall be governed by procedures approved by the Attorney General.

2-310. *Permissible Dissemination and Storage of Information.* Nothing in Sections 2-201 through 2-309 of this Order shall prohibit:

(a) Dissemination to appropriate law enforcement agencies of information which indicates involvement in activities that may violate federal, state, local or foreign laws;

(b) Storage of information required by law to be retained;

(c) Dissemination of information covered by Section 2-208 (a)-(j) to agencies within the Intelligence Community or entities of cooperating foreign governments; or

(d) Lawful storage or dissemination of information solely for administrative purposes not related to intelligence or security.

SECTION 3

OVERSIGHT OF INTELLIGENCE ORGANIZATIONS

3-1. *Intelligence Oversight Board.*

3-101. *Membership.* The President's Intelligence Oversight Board (IOB) shall function within the White House. The IOB shall have three members who shall be appointed by the President and who shall be from outside the government and be qualified on the basis of ability, knowledge, diversity of background and experience. No member shall have any personal interest in any contractual relationship with any agency within the Intelligence Community. One member shall be designated by the President as chairman.

3-102. *Duties.* The IOB shall:

(a) Review periodically the practices and procedures of the Inspectors General and General Counsel with responsibilities for agencies within the Intelligence Community for discovering and reporting to the IOB intelligence

THE PRESIDENT

3689

activities that raise questions of legality or propriety, and consider written and oral reports referred under Section 3-201;

(b) Review periodically for adequacy the internal guidelines of each agency within the Intelligence Community concerning the legality or propriety of intelligence activities;

(c) Report periodically, at least quarterly, to the President on its findings; and report in a timely manner to the President any intelligence activities that raise serious questions of legality or propriety;

(d) Forward to the Attorney General, in a timely manner, reports received concerning intelligence activities in which a question of legality has been raised or which the IOB believes to involve questions of legality; and

(e) Conduct such investigations of the intelligence activities of agencies within the Intelligence Community as the Board deems necessary to carry out its functions under this Order.

3-103. *Restriction on Staff.* No person who serves on the staff of the IOB shall have any contractual or employment relationship with any agency within the Intelligence Community.

3-2. *Inspectors General and General Counsel.* Inspectors General and General Counsel with responsibility for agencies within the Intelligence Community shall:

3-201. Transmit timely reports to the IOB concerning any intelligence activities that come to their attention and that raise questions of legality or propriety;

3-202. Promptly report to the IOB actions taken concerning the Board's findings on intelligence activities that raise questions of legality or propriety;

3-203. Provide to the IOB information requested concerning the legality or propriety of intelligence activities within their respective agencies;

3-204. Formulate practices and procedures for discovering and reporting to the IOB intelligence activities that raise questions of legality or propriety; and

3-205. Report to the IOB any occasion on which the Inspectors General or General Counsel were directed not to report any intelligence activity to the IOB which they believed raised questions of legality or propriety.

3-3. *Attorney General.* The Attorney General shall:

3-301. Receive and consider reports from agencies within the Intelligence Community forwarded by the IOB;

3-302. Report to the President in a timely fashion any intelligence activities which raise questions of legality;

3-303. Report to the IOB and to the President in a timely fashion decisions made or actions taken in response to reports from agencies within the Intelligence Community forwarded to the Attorney General by the IOB;

3-304. Inform the IOB of legal opinions affecting the operations of the Intelligence Community; and

3-305. Establish or approve procedures, as required by this Order, for the conduct of intelligence activities. Such procedures shall ensure compliance with law, protect constitutional rights and privacy, and ensure that any intelligence activity within the United States or directed against any United States person is conducted by the least intrusive means possible. The procedures shall also ensure that any use, dissemination and storage of information about United States persons acquired through intelligence activities is limited to that necessary to achieve lawful governmental purposes.

3-4. *Congressional Intelligence Committees.* Under such procedures as the President may establish and consistent with applicable authorities and duties, including those conferred by the Constitution upon the Executive and Legislative

THE PRESIDENT

Branches and by law to protect sources and methods, the Director of Central Intelligence and heads of departments and agencies of the United States involved in intelligence activities shall:

3-401. Keep the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate fully and currently informed concerning intelligence activities, including any significant anticipated activities which are the responsibility of, or engaged in, by such department or agency. This requirement does not constitute a condition precedent to the implementation of such intelligence activities;

3-402. Provide any information or document in the possession, custody, or control of the department or agency or person paid by such department or agency, within the jurisdiction of the Permanent Select Committee on Intelligence of the House of Representatives or the Select Committee on Intelligence of the Senate, upon the request of such committee; and

3-403. Report in a timely fashion to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate information relating to intelligence activities that are illegal or improper and corrective actions that are taken or planned.

SECTION 4**GENERAL PROVISIONS****4-1. Implementation.**

4-101. Except as provided in section 4-105 of this section, this Order shall supersede Executive Order 11905, "United States Foreign Intelligence Activities," dated February 18, 1976; Executive Order 11985, same subject, dated May 13, 1977; and Executive Order 11994, same subject, dated June 1, 1977.

4-102. The NSC, the Secretary of Defense, the Attorney General and the Director of Central Intelligence shall issue such appropriate directives and procedures as are necessary to implement this Order.

4-103. Heads of agencies within the Intelligence Community shall issue appropriate supplementary directives and procedures consistent with this Order.

4-104. The Attorney General shall have sole authority to issue and revise procedures required by section 2-201 for the activities of the FBI relating to foreign intelligence and counterintelligence.

4-105. Where intelligence activities under this Order are to be conducted pursuant to procedures approved or agreed to by the Attorney General, those activities may be conducted under terms and conditions of Executive Order 11905 and any procedures promulgated thereunder until such Attorney General procedures are established. Such Attorney General procedures shall be established as expeditiously as possible after the issuance of this Order.

4-106. In some instances, the documents that implement this Order will be classified because of the sensitivity of the information and its relation to national security. All instructions contained in classified documents will be consistent with this Order. All procedures promulgated pursuant to this Order will be made available to the Congressional intelligence committees in accordance with Section 3-402.

4-107. Unless otherwise specified, the provisions of this Order shall apply to activities both within and outside the United States, and all references to law are to applicable laws of the United States, including the Constitution and this Order. Nothing in this Order shall be construed to apply to or interfere with any authorized civil or criminal law enforcement responsibility of any department or agency.

4-2. *Definitions.* For the purposes of this Order, the following terms shall have these meanings:

THE PRESIDENT

3691

4-201. *Communications security* means protective measures taken to deny unauthorized persons information derived from telecommunications of the United States Government related to national security and to ensure the authenticity of such telecommunications.

4-202. *Counterintelligence* means information gathered and activities conducted to protect against espionage and other clandestine intelligence activities, sabotage, international terrorist activities or assassinations conducted for or on behalf of foreign powers, organizations or persons, but not including personnel, physical, document, or communications security programs.

4-203. *Electronic Surveillance* means acquisition of a nonpublic communication by electronic means without the consent of a person who is a party to an electronic communication or, in the case of a nonelectronic communication, without the consent of a person who is visibly present at the place of communication, but not including the use of radio direction finding equipment solely to determine the location of a transmitter.

4-204. *Employee* means a person employed by, assigned to, or acting for an agency within the Intelligence Community.

4-205. *Foreign Intelligence* means information relating to the capabilities, intentions and activities of foreign powers, organizations or persons, but not including counterintelligence except for information on international terrorist activities.

4-206. *Intelligence* means foreign intelligence and counterintelligence.

4-207. *Intelligence Community* and *agency or agencies within the Intelligence Community* refer to the following organizations:

- (a) The Central Intelligence Agency (CIA);
- (b) The National Security Agency (NSA);
- (c) The Defense Intelligence Agency;
- (d) The Offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;
- (e) The Bureau of Intelligence and Research of the Department of State;
- (f) The intelligence elements of the military services, the Federal Bureau of Investigation (FBI), the Department of the Treasury, the Department of Energy, and the Drug Enforcement Administration (DEA); and
- (g) The staff elements of the Office of the Director of Central Intelligence.

4-208. *Intelligence product* means the estimates, memoranda and other reports produced from the analysis of available information.

4-209. *International terrorist activities* means any activity or activities which:

(a) involves killing, causing serious bodily harm, kidnapping, or violent destruction of property, or an attempt or credible threat to commit such acts; and

(b) appears intended to endanger a protectee of the Secret Service or the Department of State or to further political, social or economic goals by intimidating or coercing a civilian population or any segment thereof, influencing the policy of a government or international organization by intimidation or coercion, or obtaining widespread publicity for a group or its cause; and

(c) transcends national boundaries in terms of the means by which it is accomplished, the civilian population, government, or international organization it appears intended to coerce or intimidate, or the locale in which its perpetrators operate or seek asylum.

4-210. *The National Foreign Intelligence Program* includes the programs listed below, but its composition shall be subject to review by the National Security Council and modification by the President.

- (a) The programs of the CIA;
- (b) The Consolidated Cryptologic Program, the General Defense Intelligence Program, and the programs of the offices within the Department of

3692

THE PRESIDENT

Defense for the collection of specialized national foreign intelligence through reconnaissance except such elements as the Director of Central Intelligence and the Secretary of Defense agree should be excluded;

(c) Other programs of agencies within the Intelligence Community designated jointly by the Director of Central Intelligence and the head of the department or by the President as national foreign intelligence or counterintelligence activities;

(d) Activities of the staff elements of the Office of the Director of Central Intelligence.

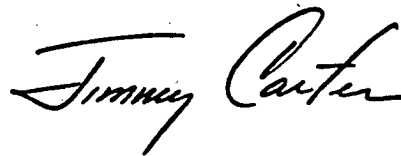
(e) Activities to acquire the intelligence required for the planning and conduct of tactical operations by the United States military forces are not included in the National Foreign Intelligence Program.

4-211. *Physical surveillance* means an unconsented, systematic and deliberate observation of a person by any means on a continuing basis, or unconsented acquisition of a nonpublic communication by a person not a party thereto or visibly present thereat through any means not involving electronic surveillance. This definition does not include overhead reconnaissance not directed at specific United States persons.

4-212. *Special activities* means activities conducted abroad in support of national foreign policy objectives which are designed to further official United States programs and policies abroad and which are planned and executed so that the role of the United States Government is not apparent or acknowledged publicly, and functions in support of such activities, but not including diplomatic activity or the collection and production of intelligence or related support functions.

4-213. *United States*, when used to describe a place, includes the territories of the United States.

4-214. *United States person* means a citizen of the United States, an alien lawfully admitted for permanent residence, an unincorporated association organized in the United States or substantially composed of United States citizens or aliens admitted for permanent residence, or a corporation incorporated in the United States.



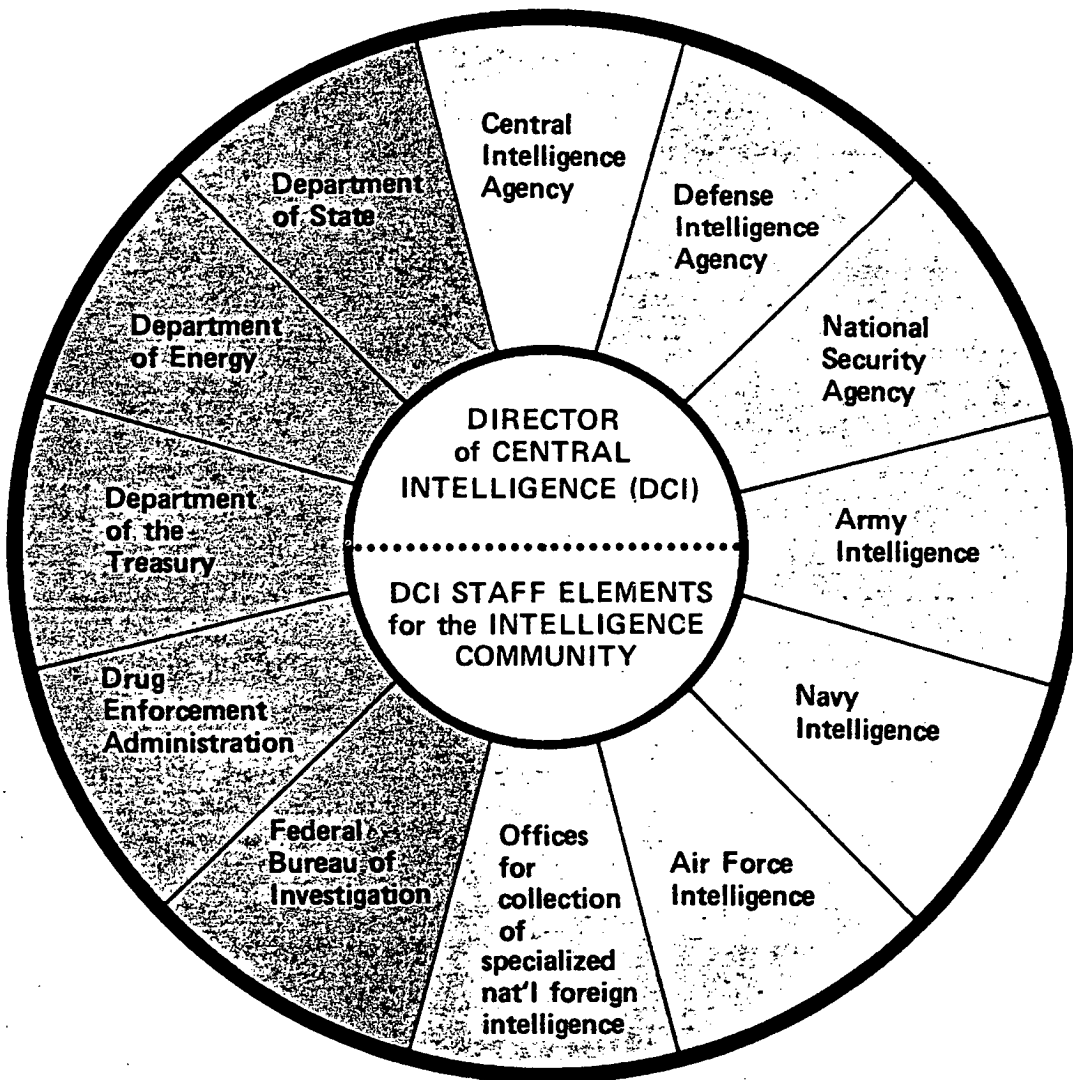
THE WHITE HOUSE,

January 24, 1978.

[FR Doc. 78-2420 Filed 1-25-78; 11:12 am]

EDITORIAL NOTE: The President's statement and remarks of Jan. 24, 1978, on signing Executive Order 12036, are printed in the Weekly Compilation of Presidential Documents (vol. 14, No. 4).

The Intelligence Community



-  Department of Defense Elements
-  Departmental Intelligence Elements (Other than DoD)
-  Independent Agency

INTELLIGENCE COMMUNITY GUIDANCE

Major Documentation

Legislative and Executive . . .

National Security Act of 1947

Executive Order 11905 (1976)

Executive Order 12036 (1978)

Statutes and Executive Orders Governing Member Organizations

National Security Council Intelligence Directives (NSCIDs)

NSC Semi-Annual Review of Intelligence

Presidential Spring Review

DCI and Community . . .

Director of Central Intelligence Directives (DCIDs)

DCI Program and Resource Guidance

DCI Annual Report on the Intelligence Community

PRC Requirements and Resource Comments

DCI Goals for the Intelligence Community

National Foreign Intelligence Requirements and Priorities

National Intelligence Topics

National Collection Plans (SIGINT, Imagery, HUMINT, etc.)

2467-80

NATIONAL FOREIGN INTELLIGENCE PROGRAM

• DEPARTMENT OF DEFENSE

- **General Defense Intelligence Program:**
 - **Defense Intelligence Agency**
 - **Intelligence elements of Army, Navy, Air Force**
- **Consolidated Cryptologic Program:**
 - **National Security Agency**
 - **Intelligence elements of Army, Navy, Air Force**
- **Special Air Force Program**
-
- **DoD/Foreign Counterintelligence Program**

25X1

• Central Intelligence Agency Program

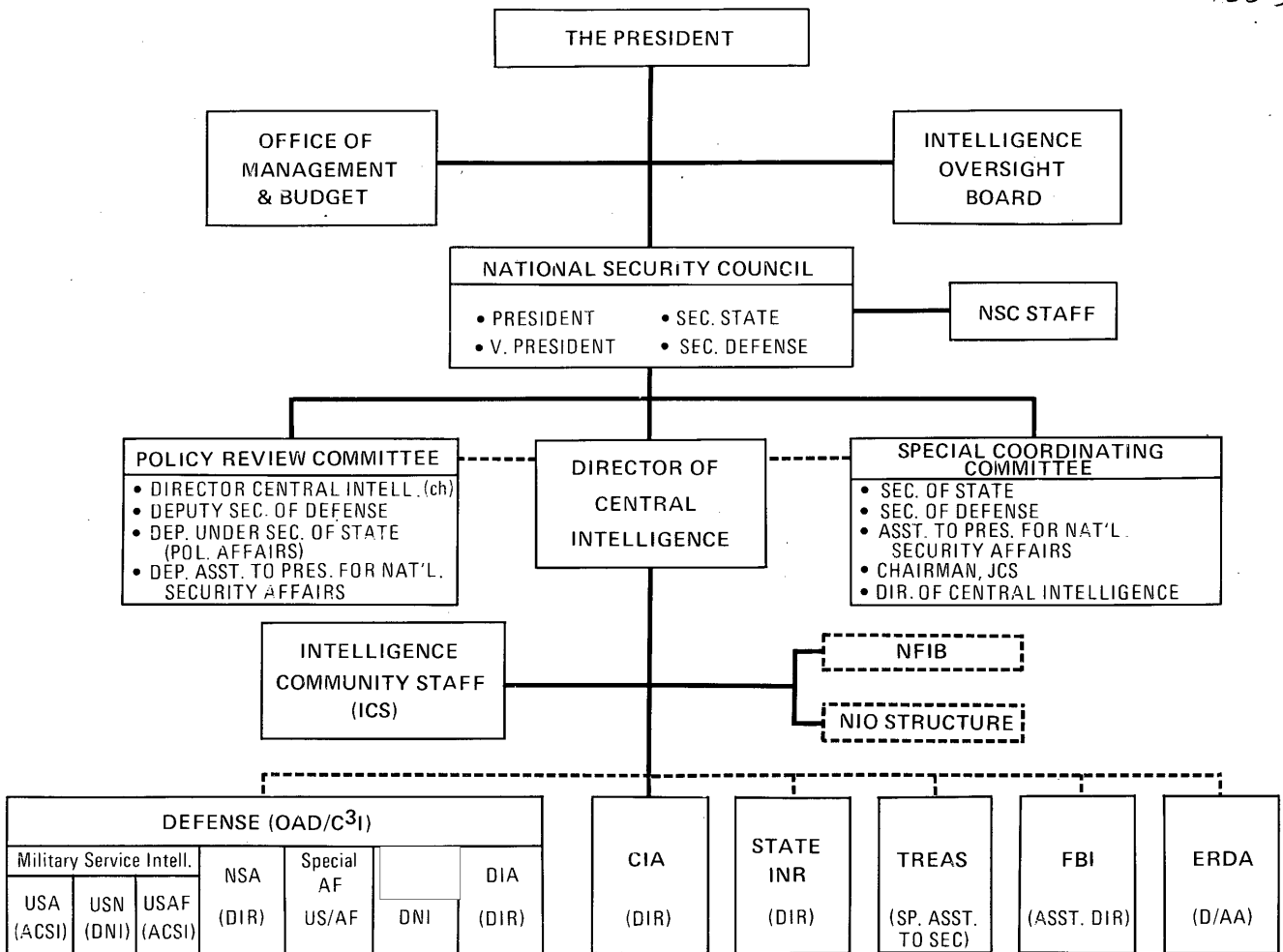
- **Department of Treasury Program**
 - **Office of Intelligence Support**
- **Department of State Program:**
 - **Bureau of Intelligence Research**
- **Department of Energy Program:**
 - **Office of International Security Affairs**
 - **Office of Current Reports**
- **Federal Bureau of Intelligence Foreign Counterintelligence Program**
- **Intelligence Community Staff Program**
 - **Resource Management**
 - **Collection Tasking**

2466-80



Resource and Management Control of NFIP Within the National Security Council System

12036



25X1

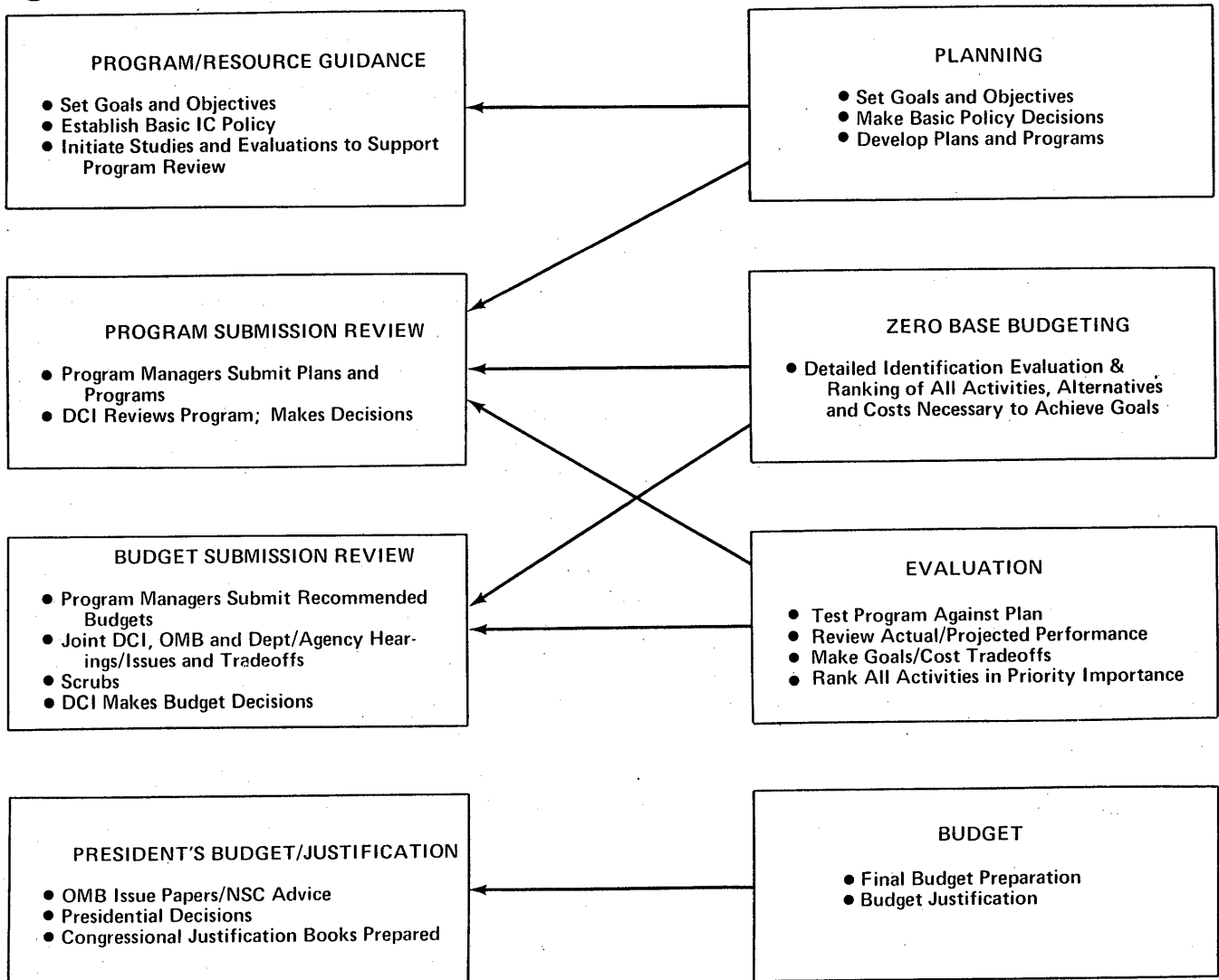
NFIP PROGRAMMING – BUDGETING CYCLE MILESTONES

January-February	DCI issues program and resource guidance based on past year budgetary cycle results
February-May	Program managers and heads of component activities develop programs and accomplish internal reviews
May	President's spring review
Mid-June/Mid-July	NFIP Program Review: DCI, program managers, heads of component activities, department/agency officials, D/DCI/RM and NFIB participation
Mid-July	NFIB advises DCI on the tentative NFIP
Mid-July	DCI briefs PRC(I) on the tentative NFIP
Late July	DCI program decisions distributed to program managers and heads of component activities for possible appeal
Early September	Budget hearing schedule announced
Mid-September	Budget submissions except DOD delivered to DCI, OMB and departments/agencies
Early October	DOD budget submissions delivered to DCI, OMB, and departments/agencies
Mid-September/ Mid-October	Joint DCI, OMB budget hearings. Issues presented to DCI for decision
Late October	Recommended ZBB rankings issued
Early November	NFIB advises DCI on NFIP budget
Early November	DCI briefs PRC(I) on tentative NFIP
Early November	DCI tentative budget decisions issued, transmitted to program managers, heads of component activities, and departments/agencies
Early November	Program managers and heads of component activities submit reclama material to DCI on the tentative budget decision
Mid-November	Consolidated NFIP subject is submitted through OMB to president
Early December	Tentative presidential decisions on NFIP budget are issued
Mid-December	Joint (DCI, OMB) appeals forwarded to president
Mid-December	Final presidential decision
Early January	President's budget to Congress, program managers and heads of component activities submit congressional budget justification books to DCI for submission to Congress
February-May	DCI, departments/agencies, program managers and heads of component activities defend the president's budget before Congress
May-August	DCI establishes executive branch positions for appealing Congressional actions on authorizations or appropriations
October-September	Follow execution--allocation, financial plans, reprogramming

Declassified in Part - Sanitized Copy Approved for Release 2013/09/11 : CIA-RDP90G01353R001500230001-4

Page Denied

Next 1 Page(s) In Document Denied



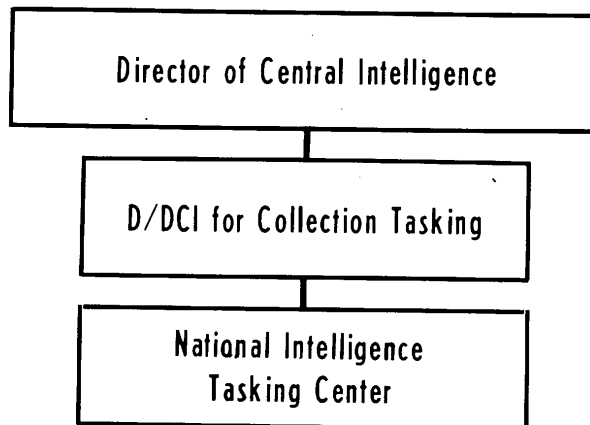
Page Denied

Next 1 Page(s) In Document Denied

1 E

Collection Systems and Organizations Tasking National Intelligence

12036



- Translates NSC/PRC intelligence requirements and priorities into specific collection targets/objectives.
- Assigns targets/objectives to national intelligence collection organizations and systems.
- Establishes standards for timely processing and dissemination of data.
- Provides advisory tasking or guidance to departments and agencies not a part of the NFIP.

1138-77

12036

NSC Policy Review Committee (Intelligence)

Define Intelligence
Requirements

Establish
Priorities For
Collection/Production

Evaluate Intelligence
Performance

Develop Policy
for
Intelligence Product

DCI-Chairman
Sec of State
Sec of Defense
Sec of Treasury
Chairman JCS
Asst to Pres for
National Security Affairs

1092-77

**NSC Special Coordination Committee
(Intelligence)**

12036

**Submit Policy
Recommendations on
Special Activities**

**Approve Sensitive
Collection Operations**

**Develop Counterintelligence
Policy**

**Review Counterintelligence
and Special Activity
Performance**

**Asst to President for Natl Sec Aff, Chairman
Vice President
Secretary of State
Secretary of Defense
Others**

Control and Direction

1-20-36

INTELLIGENCE REQUIREMENTS AND PRIORITIES

NSC
POLICY REVIEW COMMITTEE

Secretary of State	DCI (chairman)
Secretary of Defense	Asst to President for Nat'l Security Affairs
Secretary of the Treasury	Chairman, JCS

- *Define requirements for national foreign intelligence*
- *Establish priorities among national foreign intelligence requirements*
- *Conduct periodic review of national foreign intelligence products*
- *Evaluate analytic intelligence performance*
- *Develop policy for assuring high quality in intelligence products*
- *Submit annual report to the NSC on PRC activities*

Control and Direction

12036

RESOURCE CONTROL

DIRECTOR OF
CENTRAL INTELLIGENCE

**FULL AND EXCLUSIVE AUTHORITY FOR APPROVAL OF THE
NATIONAL FOREIGN INTELLIGENCE PROGRAM BUDGET
SUBMITTED TO THE PRESIDENT**

- *Review and evaluate all national program and budget submissions*
- *Present and justify the approved NFIP budget to the Congress*
- *Have full and exclusive authority for reprogramming NFIP funds*
- *Monitor NFIP implementation*
- *Conduct program and performance audits and evaluations*

Control and Direction

12036

**SPECIAL ACTIVITIES
SENSITIVE COLLECTION OPERATIONS
NATIONAL FOREIGN COUNTERINTELLIGENCE ACTIVITIES**

**NSC SPECIAL
COORDINATION COMMITTEE**

- Chairman ——— Asst to the President for Nat'l Security Affairs
- Members
 - Secretary of State
 - Secretary of Defense
 - DCI
 - Attorney General (1 and 3 only)
 - Chairman, JCS (1 and 3 only)
 - Director, OMB (1 and 3 only)
 - Director, FBI (3 only)

- (1) *Make policy recommendation to President on each special activity in support of national foreign policy objectives*
- (2) *Approve sensitive foreign intelligence collection operations*
- (3) *Develop policy for objectives, priorities, direction and conduct of national foreign counterintelligence activities*

Oversight of Foreign Intelligence Activities

12036

EXECUTIVE

- The President
 - Intelligence Oversight Board
- National Security Council
 - NSC Special Coordination Committee
 - NSC Policy Review Committee

LEGISLATIVE

- Senate Select Committee on Intelligence
- House Select Committee on Intelligence
- Intelligence Operations Subcommittee of the Defense Subcommittee of the Senate Committee on Appropriations
- Defense Subcommittee of the House Committee on Appropriations
- Intelligence Subcommittees of the House and Senate Armed Services Committees
- Leadership of the Senate Foreign Relations Committee
- Subcommittee on Oversight of the House International Relations Committee

12036

OVERSIGHT OF INTELLIGENCE ACTIVITIES

Intelligence Oversight Board

● THOMAS L. FARMER
chairman

● WILLIAM SCRANTON

● ALBERT GORE

- Consider reports of Community IG's & General Counsels concerning questionable activities
- Review procedures of IG's & General Counsels
- Report to President & Atty General on questionable activities
- Staff Support from non-intelligence community personnel

Control and Direction

12036

POLICY DEVELOPMENT

National Security Council

● President

● Vice President

● Secretary
of
State

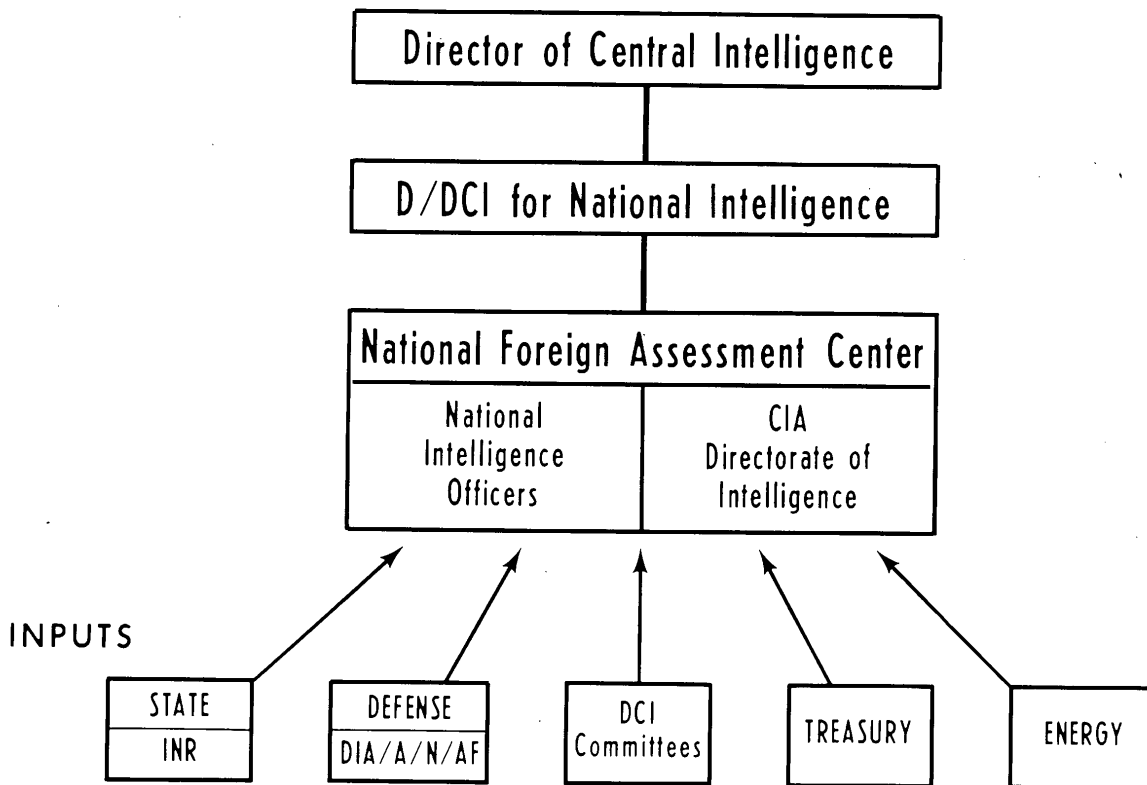
● Secretary
of
Defense

● **PROVIDE GUIDANCE FOR AND DIRECTION TO
CONDUCT OF**

- **NATIONAL FOREIGN INTELLIGENCE ACTIVITIES**
- **FOREIGN COUNTERINTELLIGENCE ACTIVITIES**

Production of National Intelligence

12036



Control and Direction

12036

PRODUCTION of NATIONAL INTELLIGENCE

Director of Central Intelligence

President's primary advisor on Foreign Intelligence

- *National Foreign Intelligence Board (NFIB) advises the DCI with respect to production, review and coordination of national foreign intelligence*

DCI COMMITTEES

COLLECTION

Committee on Imagery Requirements and Exploitation (COMIREX)
SIGINT Committee
Human Sources Committee (HRC)
Interagency Defector Committee (IDC)

PRODUCTION

Joint Atomic Energy Intelligence Committee (JAEIC)
Economic Intelligence Committee (EIC)
Scientific and Technical Intelligence Committee (STIC)
Weapon and Space Systems Intelligence Committee (WSSIC)

SUPPORT

Critical Collection Problems Committee (CCPC)
Committee on Exchanges (COMEX)
Security Committee
Intelligence Information Handling Committee (IHC)

Senate Select Committee on Intelligence

12036

(Nine Dem./Eight Rep.)

96^R Congress

Senator Inouye
Chairman

Senator Goldwater
Vice Chairman

Subcommittees

Intelligence and the Rights of Americans ----- Sen. Bayh, Ch.

Collection, Production and Quality ----- Sen. Stevenson, Ch.

Budget Authorization ----- Sen. Hathaway, Ch.

Charters and Guidelines ----- Sen. Huddleston, Ch.

Secrecy and Disclosure ----- Sen. Biden, Ch.

Investigations ----- Sen. Morgan, Ch.

Professional Staff: 21

12036

House Permanent Select Committee on Intelligence
(Nine Dem./four Rep.)

96^R Congress

Rep. Edward P. Boland (D., Mass.)
Chairman

Subcommittees

Program and Budget Authorization ----- Rep. Bill D. Burlison (D., Mo.) Ch.

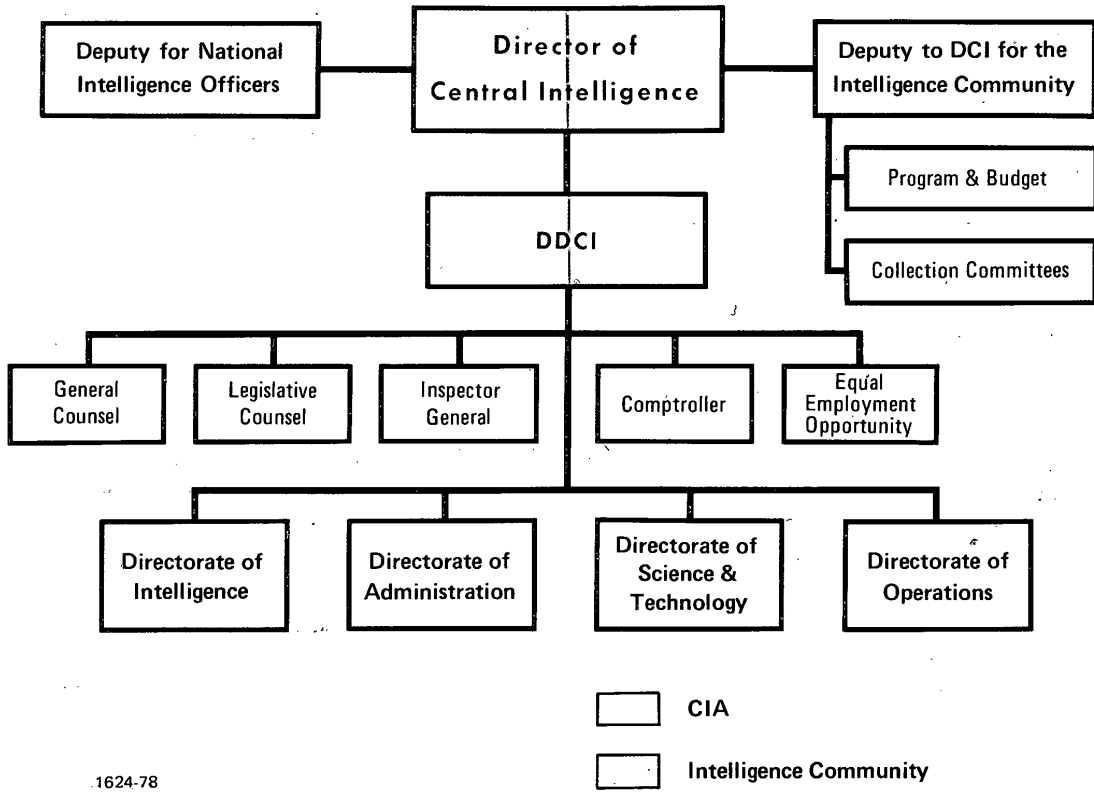
Legislation ----- Rep. Morgan F. Murphy (D., Ill.) Ch.

Oversight ----- Rep. Les Aspin (D., Wis.) Ch.

Evaluation ----- Rep. Charles Rose (D., N.C.) Ch.

100
F

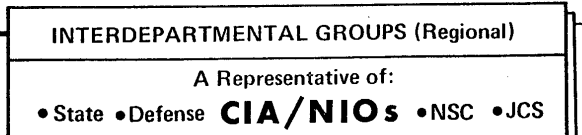
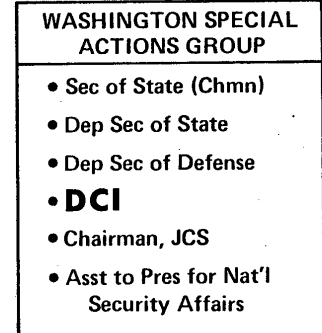
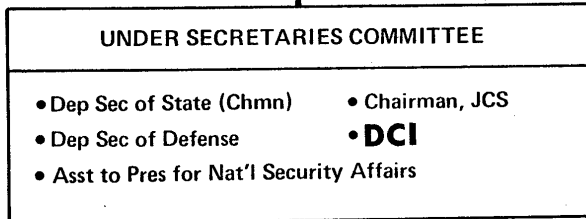
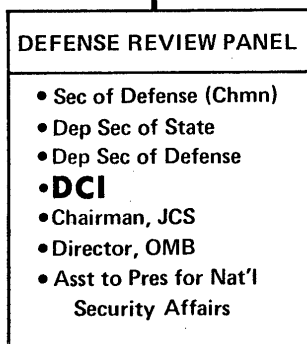
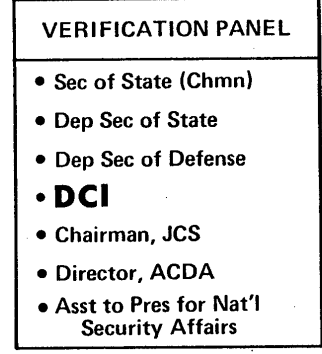
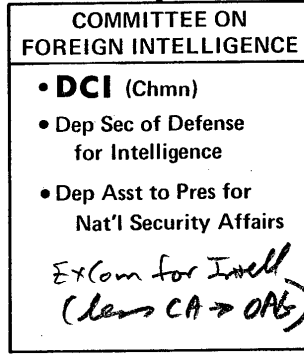
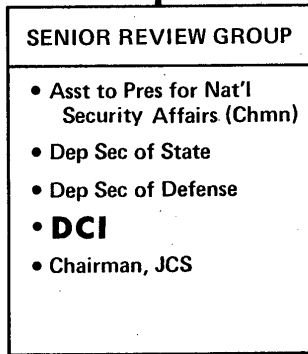
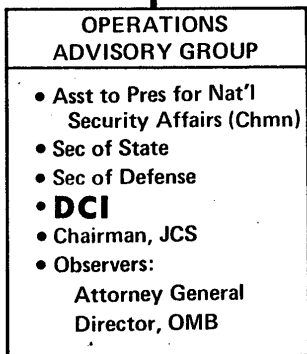
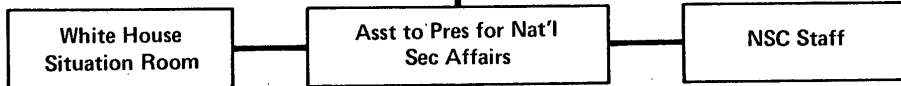
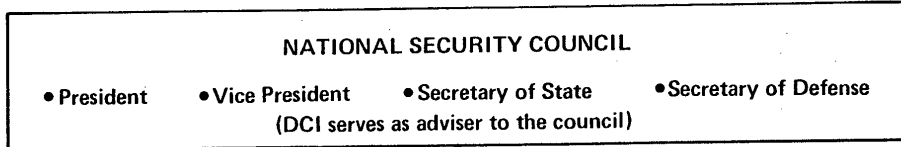
Organization Under Old Executive Order 11905



ROLE OF THE DCI IN NATIONAL INTELLIGENCE POLICY

*FORD
ADMINISTRATION*

11905



X

11905

Control and Direction

MANAGEMENT and RESOURCES CONTROL

Committee on Foreign Intelligence (CFI)

● Deputy Secretary, Defense

● DCI
(Chairman)

● Dep. Asst. to President
for Nat'l Sec. Affairs

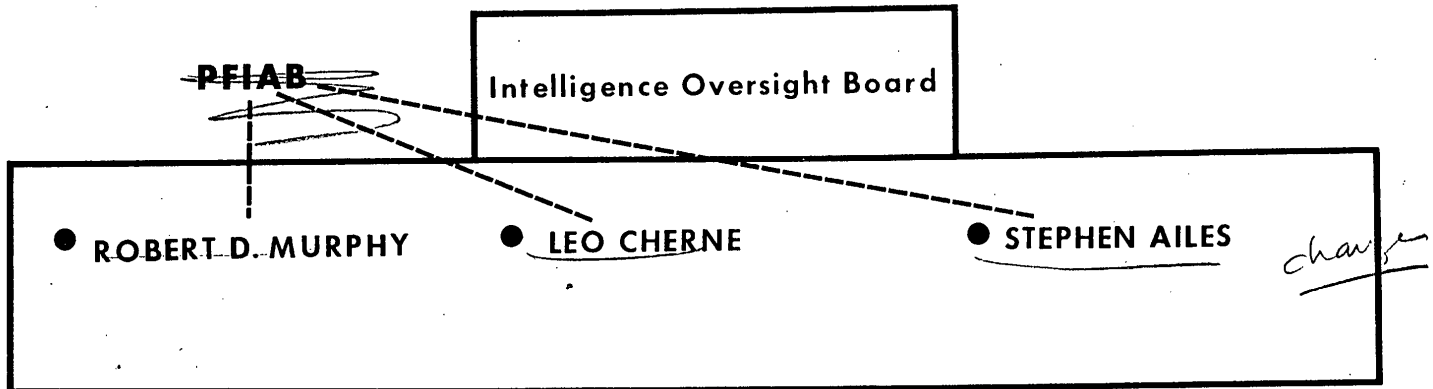
Staff Support by Intelligence Community Staff

- *Control Budget preparation and resource allocation for NFIP
(excl. Tactical)*
- *Establish management policies for the NIP*
- *Implement policy decisions of NSC
(Collection and Production of National Intelligence)*

11905

Control and Direction

OVERSIGHT OF INTELLIGENCE ACTIVITIES



- Consider reports of Community IG's & General Counsels concerning questionable activities
- Review procedures of IG's & General Counsels
- Report to President & Atty General on questionable activities
- Staff Support from non-intelligence community personnel

11905

Control and Direction

COVERT ACTION and SPECIAL OPERATIONS

Operations Advisory Group
(Operations Group)

● DCI

● Secretary
of
State

● Asst. to President
for
Nat'l Sec. Affairs
(Chairman)

● Secretary
of
Defense

● Chairman
JCS

Observers { ● Director O M B
● Attorney General

- ◆ *Consider & make recommendations to President on all proposals for special missions*
- ◆ *Submit periodic review to N S C on ongoing missions*
- ◆ *Meet formally to carry out its responsibility to make recommendations to the President.*

THE TWO DDCI'S

Bush 11905

THE DEPUTY FOR THE COMMUNITY — *Dan Murphy*

- Vice Chair and provide Executive Secretary for the NFIB and CFI
- Direct the Intelligence Community Staff (which is staff for CFI)
- Make recommendations on NFIP Programs
- Monitor within Intelligence Community Policy and Program Directives of the President, NSC, CFI, Intelligence Oversight Board and DCI
- Evaluate programs and products of NFIB
- Advise DCI on Intelligence Community matters
- Coordinate activities and provide staff for all DCI Committees
- Assist DCI in discharging his responsibilities listed in NSCID 1 as Head of the Intelligence Community

THE DEPUTY FOR THE CIA — *Hank Knoche*

- Manage and operate CIA
- Act as CIA member to NFIB
- Manager of CIA element of NFIB
- Provide production support to DCI
- Carry out, under DCI, functions assigned to CIA under E.O. 11905
- Assist DCI in discharging his responsibilities listed in NSCID 7 as Head of CIA

ICS INVOLVEMENT IN RESPONSIBILITIES ASSIGNED TO THE DCI IN E.O. 11905

(Part I)

The DCI Shall:	Supporting ICS Office
Chair the CFI	All
Head CIA & ICS	All
Develop & Submit NFIP budget to CFI	OPBD
Be President's primary foreign intelligence advisor .	All
Provide intelligence to Executive Branch	---
Develop national intelligence requirements & priorities	OPP & OPEI
Supervise production & dissemination of national intelligence	---
Ensure implementation of special activities in support of foreign policy objectives ..	---
Ensure propriety of White House requests to intelligence Community	ES

ICS INVOLVEMENT IN RESPONSIBILITIES ASSIGNED TO THE DCI IN E.O. 11905

(Part II)

The DCI Shall:	Supporting ICS Office
Protect intelligence sources, methods & analytical procedures	OPP
Downgrade & declassify foreign intelligence ..	All
Ensure strong IG capability	---
Establish common security standards	OPP
Be spokesman to the Congress	All
Promote development & maintenance by CIA of services of common concern	---
Establish criteria for CRITIC intelligence	OPEI
Establish committees of collectors, producers & users of intelligence	OPEI
Consult with users to ensure intelligence relevance, timeliness, & quality	OPEI

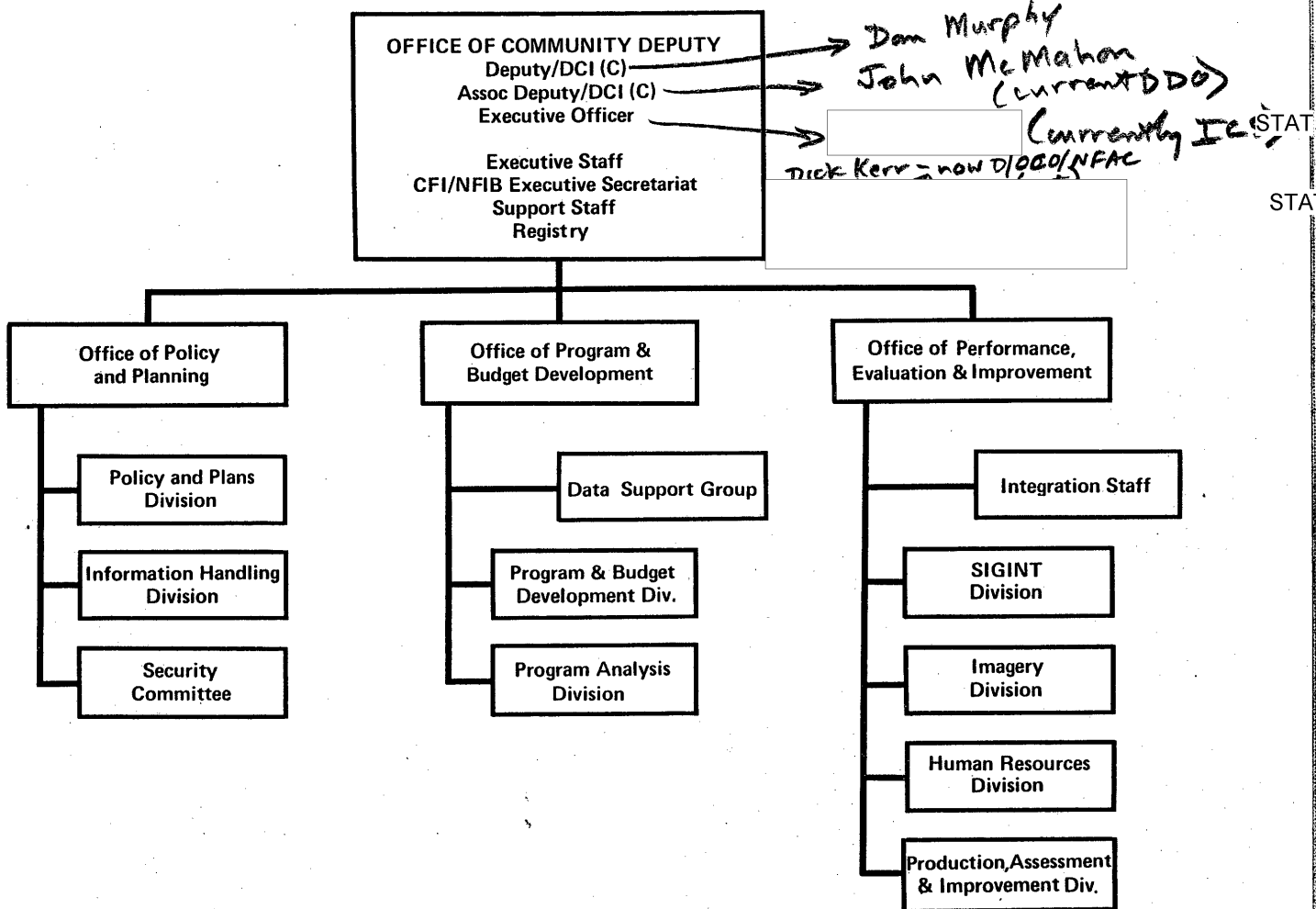
ICS INVOLVEMENT IN NFIB ACTIVITIES

NFIB Advisory Responsibilities (DCID 1/8)	Supporting ICS Office
Review national products	OPEI
Coordinate national products	---
Maintain consumer/producer interface	---
Develop procedures to identify consumer needs .	OPEI
Establish objectives/requirements/priorities	OPEI & OPP
Protect sensitive sources, methods and information ..	OPP & OPEI
Develop policies for arrangements with foreign Governments	ES & OPEI
Such other matters as the DCI assigns	All

ICS INVOLVEMENT IN CFI RESPONSIBILITIES

CFI Tasks from E.O. 11905	Supporting ICS Office
Control NFIP budget preparation and resource allocation	OPBD
Establish policy priorities for national intelligence collection and production	All
Establish policy for management of intelligence .	OPP, OPEI & ES
Provide guidance on national/tactical intelligence relationship	All
Ensure Community compliance with NSC policy direction	All
Designate activities to be included in NFIP	OPBD

Organization of Intelligence Community Staff



~~FOR OFFICIAL USE ONLY~~

E.O. 11905

Annex

"Director of Central Intelligence

(1) The Director of Central Intelligence, pursuant to the National Security Act of 1947, shall be responsible directly to the National Security Council and the President. He shall:

(i) Chair the CFI.

(ii) Act as executive head of the CIA and Intelligence Community staff.

(iii) Ensure the development and submission of a budget for the National Foreign Intelligence Program to the CFI.

(iv) Act as the President's primary adviser on foreign intelligence and provide him and other officials in the Executive branch with foreign intelligence, including National Intelligence Estimates; develop national intelligence requirements and priorities; and supervise production and dissemination of national intelligence.

(v) Ensure appropriate implementation of special activities in support of national foreign policy objectives.

(vi) Establish procedures to ensure the propriety of requests, and responses thereto, from the White House Staff or other Executive departments and agencies to the Intelligence Community.

(vii) Ensure that appropriate programs are developed which properly protect intelligence sources, methods and analytical procedures. His responsibility within the United States shall be limited to:

(A) Protection by lawful means against disclosure by present or former employees of the Central Intelligence Agency or persons, or employees of persons or organizations, presently or formerly under contact with the Agency;

(B) providing leadership, guidance and technical assistance to other government departments and agencies performing foreign intelligence activities; and

(C) in cases involving serious or continuing security violations, recommending to the Attorney General that the case be referred to the Federal Bureau of Investigation for further investigation.

(viii) Establish a vigorous program to downgrade and declassify foreign intelligence information as appropriate and consistent with Executive Order No. 11652.

(ix) Ensure the existence of strong Inspector General capabilities in all elements of the Intelligence Community and that each Inspector General submits quarterly to the Intelligence Oversight Board a report which sets forth any questionable activities in which that intelligence organization has engaged or is engaged.

(x) Ensure the establishment, by the Intelligence Community, of common security standards for managing and handling foreign intelligence systems, information and products, and for granting access thereto.

FOR OFFICIAL USE ONLY

(xi) Act as the principal spokesman to the Congress for the Intelligence Community and facilitate the use of foreign intelligence products by Congress.

(xii) Promote the development and maintenance by the Central Intelligence Agency of services of common concern to the Intelligence Community organizations, including multi-discipline analysis, national level intelligence products, and a national level current intelligence publication.

(xiii) Establish uniform criteria for the identification, selection, and designation of relative priorities for the transmission of critical intelligence, and provide the Secretary of Defense with continuing guidance as to the communications requirements of the Intelligence Community for the transmission of such intelligence.

(xiv) Establish such committees of collectors, producers and users of intelligence to assist in his conduct of his responsibilities as he deems appropriate.

(xv) Consult with users and producers of intelligence, including the Departments of State, Treasury, and Defense, the military services, the Federal Bureau of Investigation, the Energy Research and Development Administration, and the Council of Economic Advisors, to ensure the timeliness, relevancy and quality of the intelligence product."