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CIA-RDP90G01353R001800200004-1

MEMORANDUM FOR: DCI

The attached letters for your signature and Secretary Carlucci's signature (he has already signed these) respond to Senator Nunn's request for joint DoD/Intelligence Community net assessments. Mr. Kerr and Mr. Hutchinson have approved these letters for your signature, as has Mr. Gates.



STAT

22 March 1988

Date

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Return copy to  
ES, Defense for  
Distribution

Make copy for DCI Chono  
& OCA

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Central Intelligence Agency  
Washington, D.C. 20505

Executive Secretariat

ER:

- This is ref package  
for pending letter from  
SECRETARY TO DCI

on an MOU for  
Net Assessments.

- DCI has MOU letter  
But he has not  
signed.



STAT

4/1/88

## ROUTING AND RECORD SHEET

**SUBJECT:** (Optional)  
 Response to Congress on FY 1988-89 Intelligence Authorization Bill Requirement

**FROM:** William M. Matz, Jr.  
 ES/Dept of Defense

**EXTENSION**

**NO.** ER-09644-88

**DATE**

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

**DATE**

RECEIVED      FORWARDED

**OFFICER'S INITIALS**

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

1.	ER	DATE		OFFICER'S INITIALS	COMMENTS
		RECEIVED	FORWARDED		
2.					
3.	ES	3/11	3/11	LES	
4.					
5.	DDCI				Hold for DCI signature
6.					
7.	DCI	14 Mar. 4/4			Sorry
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					

DCI  
EXEC  
REG

P-204-1R



OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

Executive Registry	
88-0964X	

9 MAR 1988

MEMORANDUM FOR EXECUTIVE SECRETARY, CENTRAL INTELLIGENCE AGENCY

SUBJECT: Response to Congress on FY 88-89 Intelligence Authorization Bill Requirement

Forwarded is a package of letters prepared for joint signatures of SecDef and DCI to respond to Congress with our plan for conducting joint net assessments. This plan, which Doug MacEachin helped refine, will provide for both intelligence community involvement in preparation as well as a vehicle for expression of independent views with regard to net assessments.

When you have obtained Judge Webster's (or Bob Gates') signature, please return the package to this office for distribution.

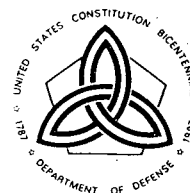
William M. Matz, Jr.  
Executive Secretary

Attachments

ALSO  
WHEN SIGNED EITHER  
DATE CORRES OR LET US  
KNOW DATE CORRES WAS  
SIGNED.



THE SECRETARY OF DEFENSE  
WASHINGTON, THE DISTRICT OF COLUMBIA



4 April 1988

The Honorable Les Aspin  
Chairman  
Committee on Armed Services  
House of Representatives  
Washington, DC 20515

Dear Mr. Chairman,

The Intelligence Authorization Act for Fiscal Year 1988 Conference Report requests that the Secretary of Defense and the Director of Central Intelligence provide a plan for the conduct of net assessments which allow for independent judgements by the Intelligence Community.

The JCS 1987 Military Net Assessment and other previous OSD net assessment studies have historically used extensive input from the Intelligence Community. On September 8, 1987 Admiral Crowe and Judge Webster agreed to formalize a plan for Intelligence Community support of JCS Net Assessments.

Enclosed is our plan for Intelligence Community participation in net assessments. Admiral Crowe agrees with this plan.

Sincerely,

Handwritten signature of William H. Webster.

WILLIAM H. WEBSTER  
Director of Central Intelligence

Handwritten signature of Frank C. Carlucci.

FRANK C. CARLUCCI  
Secretary of Defense

Enclosures  
a/s



THE SECRETARY OF DEFENSE  
WASHINGTON, THE DISTRICT OF COLUMBIA



4 April 1988

The Honorable David L. Boren  
Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman,

The Intelligence Authorization Act for Fiscal Year 1988 Conference Report requests that the Secretary of Defense and the Director of Central Intelligence provide a plan for the conduct of net assessments which allow for independent judgements by the Intelligence Community.

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WILLIAM H. WEBSTER  
Director of Central Intelligence

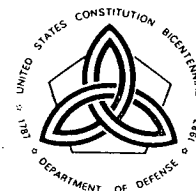
Handwritten signature of Frank C. Carlucci.

FRANK C. CARLUCCI  
Secretary of Defense

Enclosures  
a/s



THE SECRETARY OF DEFENSE  
WASHINGTON, THE DISTRICT OF COLUMBIA



4 April 1988

The Honorable Bill Chappell, Jr.  
Chairman, Subcommittee on Defense  
House of Representatives Committee on Appropriation  
Washington, DC 20515

Dear Mr. Chairman,

The Intelligence Authorization Act for Fiscal Year 1988 Conference Report requests that the Secretary of Defense and the Director of Central Intelligence provide a plan for the conduct of net assessments which allow for independent judgements by the Intelligence Community.

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WILLIAM H. WEBSTER  
Director of Central Intelligence

Handwritten signature of Frank C. Carlucci.

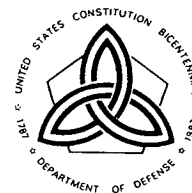
FRANK C. CARLUCCI  
Secretary of Defense

Enclosures  
a/s





THE SECRETARY OF DEFENSE  
WASHINGTON, THE DISTRICT OF COLUMBIA



4 April 1988

The Honorable Sam Nunn  
Chairman  
Committee on Armed Services  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman,

The Intelligence Authorization Act for Fiscal Year 1988 Conference Report requests that the Secretary of Defense and the Director of Central Intelligence provide a plan for the conduct of net assessments which allow for independent judgements by the Intelligence Community.

The JCS 1987 Military Net Assessment and other previous OSD net assessment studies have historically used extensive input from the Intelligence Community. On September 8, 1987 Admiral Crowe and Judge Webster agreed to formalize a plan for Intelligence Community support of JCS Net Assessments.

Enclosed is our plan for Intelligence Community participation in net assessments. Admiral Crowe agrees with this plan.

Sincerely,

Handwritten signature of William H. Webster in black ink.

WILLIAM H. WEBSTER  
Director of Central Intelligence

Handwritten signature of Frank C. Carlucci in black ink.

FRANK C. CARLUCCI  
Secretary of Defense

Enclosures  
a/s



THE SECRETARY OF DEFENSE  
WASHINGTON, THE DISTRICT OF COLUMBIA



4 April 1988

The Honorable John C. Stennis  
Chairman, Subcommittee on Defense  
United States Senate Committee on Appropriation  
Washington, DC 20510

Dear Mr. Chairman,

The Intelligence Authorization Act for Fiscal Year 1988 Conference Report requests that the Secretary of Defense and the Director of Central Intelligence provide a plan for the conduct of net assessments which allow for independent judgements by the Intelligence Community.

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WILLIAM H. WEBSTER  
Director of Central Intelligence

Handwritten signature of Frank G. Carlucci.  
FRANK G. CARLUCCI  
Secretary of Defense

Enclosures  
a/s



THE SECRETARY OF DEFENSE  
WASHINGTON, THE DISTRICT OF COLUMBIA



4 April 1988

The Honorable Louis Stokes  
Chairman  
Permanent Select Committee on Intelligence  
House of Representatives  
Washington, DC 20515

Dear Mr. Chairman,

The Intelligence Authorization Act for Fiscal Year 1988 Conference Report requests that the Secretary of Defense and the Director of Central Intelligence provide a plan for the conduct of net assessments which allow for independent judgements by the Intelligence Community.

The JCS 1987 Military Net Assessment and other previous OSD net assessment studies have historically used extensive input from the Intelligence Community. On September 8, 1987 Admiral Crowe and Judge Webster agreed to formalize a plan for Intelligence Community support of JCS Net Assessments.

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WILLIAM H. WEBSTER  
Director of Central Intelligence

Handwritten signature of Frank C. Carlucci.

FRANK C. CARLUCCI  
Secretary of Defense

Enclosures  
a/s

PLAN FOR INTELLIGENCE COMMUNITY SUPPORT OF NET ASSESSMENTS

1. The Secretary of Defense and the Director of Central Intelligence establish this plan which provides for the full participation of the Intelligence Community in DOD net assessments. The Intelligence Community will:

- participate in the development of requirements for,
- participate in the establishment of parameters for,
- provide coordinated intelligence, and
- participate in the conduct of

net assessments by the Department of Defense. The Intelligence Community will review and comment on net assessments prior to dissemination external to the Executive Branch, and will have the right to present independent conclusions based on its review of the results.

2. Community-agreed intelligence data bases and assessments will be used for net assessments where possible. However, where the intelligence input to net assessments is new or comprises material at variance with earlier Community views, coordination shall be conducted by a working group consisting of representatives of all interested members of the Intelligence Community. Coordination will normally be conducted in a manner similar to that for National Intelligence Estimates (NIEs).

3. The Intelligence Community will participate in net assessments with DOD/JCS in areas critical to the overall effectiveness of US national security policy, strategy, tactics, and weapons systems. Initially these net assessments will include such areas as:

a. Total military capabilities. These assessments will include an analysis of military functional capabilities across the spectrum of warfare including conventional, strategic nuclear, nonstrategic nuclear and CBW. Other military capabilities will be analyzed, including: intelligence, sustainability, mobility, electronic warfare, special operations forces, reserve forces, command, control, and communications, and leadership, morale, and training.

b. Regional politico-military balances. These assessments will analyze the capability of the US and its allies to achieve regional objectives versus the capabilities of an adversary, principally the Soviet Union and its allies. These balances may also take into account significant regional sub-balances (e.g., North Korea/South Korea).

c. Joint technical net assessments. These assessments will analyze the standing of US and allied R & D efforts relative to those of

the Soviet Union in key military and technology areas, such as low observable technology, new explosives, and directed energy weapons.

These areas are critical as they are fundamental to current and future force planning and national strategy as set forth in NSDD 238, the National Security Strategy, and the Defense Guidance.

4. The time table for initiation and completion of net assessments identified for Intelligence Community participation over the next two years is as follows:

1988 JCS Net Assessment (Unclassified Document)

Commence: 1 March 1988                      Complete: 30 September 1988

Interim 1989 Military Net Assessment

Commence: 1 November 1987                      Complete: 30 October 1988

1988 Joint Technical Net Assessment, Low Observable Technology

Commence: 1 April 1988                      Complete: 1 December 1988

1989 Military Net Assessment

Commence: 1 November 1987                      Complete: 30 June 1989

1989 JCS Net Assessment (Unclassified Document)

Commence: 1 October 1988                      Complete: 30 September 1989

5. Dissemination of these net assessments shall include those senior officials involved in national security policy in the Executive Branch and to the following committees of the Congress: Senate Armed Services Committee, Senate Select Committee on Intelligence, Senate Appropriations Committee, House Armed Services Committee, House Select Committee on Intelligence, and the House Appropriations Committee.

6. Implementation of the above plan has commenced and will be fully implemented by 1 October 1988.

ADMINISTRATIVE - INTERNAL USE ONLY

**ROUTING AND RECORD SHEET**

**SUBJECT:** (Optional) 31 May 1988 Meeting with Senate Staff Members on Net Assessments

**FROM:** MG Larry D. Budge, USA  
NIO/GPF  
7B07 HQS

EXTENSION

NO.

NIC# 02036/88

DATE

7 June 1988

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

DATE

OFFICER'S INITIALS

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

RECEIVED

FORWARDED

1. David D. Gries  
Vice Chairman, NIC

7 June

7 June

D.G.

2. Fritz W. Ermarth  
Chairman, NIC

7 June 88

F.E.

2 to 5,6:

3. Executive Registry

08 JUN 1988

W

This is the latest chapter in a continuing story. We are making progress on net assessments in collaboration with DoD. There remains a danger, however, that Congress (Sen. Nunn) will at some point impose on the DCI an obligation to "audit" SecDef decisions.

4. SA/DCI

6/9

6/10

W

5. DDCI

" "

J.

6. DCI

13 June

W

7. NIO/GPF

NOTE ON LAST PG.

9.

10.

11.

12.

13.

14.

15.



ADMINISTRATIVE - INTERNAL USE ONLY

6. My assessment of the meeting is that the staffers understand the Intelligence Community position and they are somewhat sympathetic to us on the issue of resources. They are sceptical of DIA's ability to remain impartial in their role as "primary action agent" for the Intelligence Community. Although I do not know the results of their meetings with DoD, I believe that DoD will continue to resist doing any real weapons systems net assessments. In that case, I suspect that we will receive further guidance from the Senate Armed Services Committee. I think it likely that DoD and the Intelligence Community will be directed to do Interagency Net Assessments of certain weapons system selected by the Senate Armed Services Committee. There is also the possibility, which I think is less likely at this time, that the Intelligence community will be directed to conduct net assessments on our own. I will keep you informed as more information becomes available.

I agree.  
Re:  
This is a potential  
sinkhole  
for resources.  
We should  
oppose it.

  
Larry D. Budge

cc: Director/OCA  
DDI

ADMINISTRATIVE - INTERNAL USE ONLY

The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC# 02036/88  
7 June 1988

MEMORANDUM FOR: Director of Central Intelligence  
VIA: Deputy Director of Central Intelligence  
Chairman, National Intelligence Council  
FROM: MG Larry D. Budge, USA  
National Intelligence Officer for  
General Purpose Forces  
SUBJECT: 31 May 1988 Meeting with Senate Staff Members on Net  
Assessments

1. On 31 May I met with Jeffrey Smith, General Counsel to the Senate Armed Services Committee and Senator Nunn's designee to the Senate Select Committee on Intelligence (SSCI). He was accompanied by Richard D. Finn, Professional Staff Member to the Senate Armed Services Committee. I was accompanied by Captain [redacted], Assistant National Intelligence Officer for General Purpose Forces. Also present were [redacted] Office of Congressional Affairs, and [redacted] and [redacted] Office of Soviet Analysis.

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2. The staffers asked for the meeting to review the status of Intelligence Community participation in the net assessment process and to determine the extent to which Interagency Net Assessments were being conducted. The Senate Armed Services Committee apparently plans to discuss net assessment during their review of the Intelligence Authorization Act in about two weeks. They also suggested that the Committee might provide further guidance on the subject of net assessment to the Intelligence Community, DoD, or both. The staffers made it clear that members of the Senate Armed Services Committee were primarily interested in the net assessment of specific weapons systems. The Senators want to use results of these net assessments as a major input into their decisions on DoD requests to procure the specific weapons systems. Smith acknowledged that this was expecting a great deal of the net assessment methodology. The Senators were also interested in strategic net assessments (such as the Chairman's Military Net Assessment), but this interest was secondary to weapons systems net assessments.

ADMINISTRATIVE - INTERNAL USE ONLY



P-204-IR



3. I reviewed, briefly, the evolution of NIO/GPF's participation in the net assessment process since last summer and concluded that we were making good progress, particularly with the Chairman's Military Net Assessment. I mentioned that we had had some problems with getting data from DIA but that the situation had improved significantly. I discussed the role of the Red Advisory Panel, on which the Intelligence Community is represented, and the procedures we were using to coordinate issues and data within the Intelligence Community. While not antagonistic in their reaction, the staffers pointed out that DIA's serving as the "primary action agent" had the potential to be self-serving. I pointed out that my involvement was designed to prevent that happening. DIA had the manpower, the expertise, and the experience; therefore, it was quite logical for me to appoint them the "primary action agent." I tried to impress upon the staffers that Intelligence Community involvement in DoD/JCS net assessments was a new phenomena and some in DoD were still wary of our participation. However, we are making progress. I suggested that the Senate Armed Services Committee wait until they see the Chairman's Military Net Assessment before giving us any further guidance.

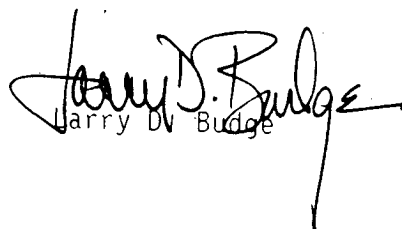
4. The staffers then inquired why there were no more net assessments than the five listed in the plan sent to congress. In fact, four of these net assessments are subsets of the Chairman's Military net Assessment so there are really only two net assessments. My answer was that DoD had not recommended any others. We had raised the issue of weapons systems net assessments at the time the plan was drafted and DoD said they had no weapons systems which required net assessments. I provided the staffers a copy of the recently developed Net Assessment Coordinating Committee (NACC) Charter which requires the preparation of an annual plan for Interagency Net Assessments. The Intelligence Community is an equal participant with DoD in developing this plan; both the DDI and the NIO/GPF sit on the NACC. However, DoD should be the one to propose most of the net assessments since it is normally DoD forces, strategy, and weapons system which are being assessed. I stressed that the staffers really needed to talk with DoD to discuss the issue of additional net assessments. They promised that they would. The staffers asked if the Intelligence Community was prepared to do weapons system net assessments and I assured them that we were, if and when the requirement was placed on the table. I also discussed the resource implications to the Intelligence Community of becoming heavily involved in this sort of net assessment. Analysts who are tied up doing net assessments are not doing intelligence analysis which is the primary mission of the Intelligence Community. [redacted] pointed out that it was not only a question of numbers, but that it was the demand on limited numbers of highly qualified analysts that created the problem. I have asked [redacted] to develop the manpower figures involved in providing Intelligence Community support to the Chairman's Military net Assessment.

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5. We also briefly discussed the status of the Net Technical Assessment on Low Observables. I informed them that we were coming up to speed and fully expected that we would be able to do it in accordance with the plan. The staffers were not particularly interested in this assessment as it deals primarily with pure technology rather than weapons systems.

6. My assessment of the meeting is that the staffers understand the Intelligence Community position and they are somewhat sympathetic to us on the issue of resources. They are sceptical of DIA's ability to remain impartial in their role as "primary action agent" for the Intelligence Community. Although I do not know the results of their meetings with DoD, I believe that DoD will continue to resist doing any real weapons systems net assessments. In that case, I suspect that we will receive further guidance from the Senate Armed Services Committee. I think it likely that DoD and the Intelligence Community will be directed to do Interagency Net Assessments of certain weapons system selected by the Senate Armed Services Committee. There is also the possibility, which I think is less likely at this time, that the Intelligence community will be directed to conduct net assessments on our own. I will keep you informed as more information becomes available.



Larry D. Budge

cc: Director/OCA  
DDI

Distribution:

Orig - Addressee  
1 - DDCI  
1 - D/OCR  
1 - DDI  
1 - C/NIC  
1 - Executive Registry  
2 - NIO/GPF Files