

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

DoD Plan for the Conduct of Joint Net Assessments

FROM: MG Larry D. Budge, USA
National Intelligence Officer for
General Purpose Forces

EXTENSION NO.

NIC# 00780-88

DATE
1 March 1988

STAT

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.	H. F. Hutchinson, Jr. Acting Chairman, National Intelligence Council	2 March	JH
2.	DI Registry		
3.	Deputy Director for Intelligence		
4.	Executive Registry	04 MAR 1988	TK
5.	Chief, Executive Staff, Deputy Director for Central Intelligence		
6.	Deputy Director of Central Intelligence	7 Mar	RG
7.	Director of Central Intelligence		
8.	RIO/GPF		
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See note
cc: DDI

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P-204-1R

The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC# 00780-88

1 March 1988

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Deputy Director for Intelligence
Acting Chairman, National Intelligence Council

FROM: MG Larry D. Budge, USA
National Intelligence Officer for
General Purpose Forces

SUBJECT: DoD Plan for the Conduct of Joint Net Assessments

1. The purpose of this memorandum is to obtain your concurrence in the draft plan for the conduct of joint DoD/Intelligence Community net assessments.

2. Background. In the summer of 1987, Senator Nunn attached a report (see Attachment 1) to the FY 88-89 Intelligence Authorization Act designed to involve the Intelligence Community (IC) in the conduct of net assessments. The Report which finally emerged from the conference committee endorsed the Senate Armed Services Committee Report. Salient points of the report are as follows:

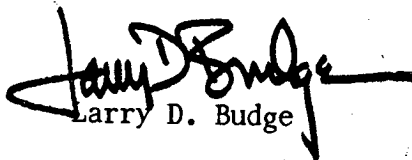
- Secretary of Defense and Director of Central Intelligence develop a plan not later than 1 March 1988 for the conduct of joint DoD/IC net assessments.
- Joint DoD/IC net assessments should be restricted to those areas judged critical to the overall effectiveness of US national security policy, strategy, tactics, or specific weapons systems.
- The Intelligence Community must have an independent role in the conduct of these net assessments.

3. Attachment 2 is the DoD draft plan drawn up by the Net Assessment Coordination Committee (NACC) for the conduct of joint DoD/IC net assessments. The NACC is a DoD committee organized in 1986 to supervise the

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net assessments required by the Goldwater-Nichols Defense Reorganization Act. The following is my assessment of the plan:

- The plan provides for the full participation of the Intelligence Community in joint net assessments. It does not address the issue of who should take the lead within the Intelligence Community. In fact, I am your representative within the Intelligence Community pursuant to the memorandum at Attachment 3.
 - The plan is generic in scope with few details, but it probably meets the minimum requirement.
 - The plan addresses five net assessments in the timetable section. Four of these are really variations of a single net assessment--the Chairman's Military Net Assessment--and the fifth is a net technical assessment dealing with low observable technology. Although the plan mentions weapons systems net assessments, DoD elects not to address any weapons systems net assessments "initially,". This may cause some problem, as we understood weapons systems net assessments were the real focus of Nunn's interest. The choice of net assessments is, however, really DoD's call and the Intelligence Community probably has no basis for questioning it.
 - In reality, we believe DoD has no intention of doing weapons systems net assessments. Instead, DIA has a procedure called STARS (System Threat Assessment Report) for validating the service-developed threat evaluations for specific weapons systems. STARS is a part of the DoD procurement cycle and DoD is opposed to replacing it with net assessments. Senator Nunn probably will not accept STARS as a valid substitute for weapons systems net assessments.
 - Bottom line is that the Intelligence Community should support the plan as written and I will proceed to implement it on your behalf.
4. Recommend you concur with the DoD plan as written.

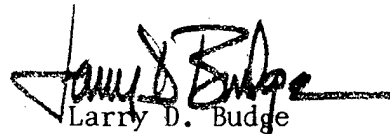

Larry D. Budge

Attachments:
As Stated

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net assessments required by the Goldwater-Nichols Defense Reorganization Act. It has met only three times since its inception. The DI, rather than the NIO/GPF, was added to the NACC last week to represent the Intelligence Community. The following is my assessment of the plan:

- The plan provides for the full participation of the Intelligence Community in joint net assessments. It does not address the issue of who should take the lead within the Intelligence Community.
 - The plan is generic in scope with few details, but it probably meets the minimum requirement.
 - The plan addresses five net assessments in the timetable section. Four of these are really variations of a single net assessment--the Chairman's Military Net Assessment--and the fifth is a net technical assessment dealing with low observable technology. Although the plan mentions weapons systems net assessments, DoD elects not to address any weapons systems net assessments "initially,". This may cause some problem, as we understood weapons systems net assessments were the real focus of Nunn's interest. The choice of net assessments is, however, really DoD's call and the Intelligence Community probably has no basis for questioning it.
 - In reality, we believe DoD has no intention of doing weapons systems net assessments. Instead, DIA has a procedure called STARS (System Threat Assessment Report) for validating the service-developed threat evaluations for specific weapons systems. STARS is a part of the DoD procurement cycle and DoD is opposed to replacing it with net assessments. Senator Nunn probably will not accept STARS as a valid substitute for weapons systems net assessments.
 - Bottom line is that the Intelligence Community should support the plan as written.
4. Recommend you concur with the DoD plan as written.


Larry D. Budge

Attachments:
As Stated

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SUBJECT: DoD Plan for the Conduct of Joint Net Assessments

NIO/GPF/Budge:fms

1 Mar 88

NIC# 00780-88

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Distribution:

Orig - Return to Addressee

- 1 - DDCI
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Central Intelligence Agency
Office of the Deputy Director for Intelligence

2 March 1988

NOTE TO: Director of Central Intelligence
Deputy Director of Central Intelligence

The Nunn ammendment also calls for the Intelligence Community, "and specifically the CIA," to improve its analysis of how the Soviets view relative military capabilities. With this in mind, I think it would be useful to add to the package the attached statement of what we plan to undertake this year in the way of "red" net assessments.

[Redacted Signature]

Richard J. Kerr
Deputy Director for Intelligence

Attachment

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100TH CONGRESS
1st Session

SENATE

REPORT
100-117

AUTHORIZING APPROPRIATIONS FOR FISCAL YEARS 1988 AND 1989 FOR INTELLIGENCE ACTIVITIES OF THE U.S. GOVERNMENT, THE INTELLIGENCE COMMUNITY STAFF, THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM [CIARDS], AND FOR OTHER PURPOSES

JULY 17 (legislative day, JUNE 23), 1987.—Ordered to be printed

Mr. NUNN from the Committee on Armed Services,
submitted the following

REPORT

[To accompany S. 1243]

The Committee on Armed Services, to which was referred the bill (S. 1243) to authorize appropriations for fiscal years 1988 and 1989 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

PURPOSE OF THE BILL

S. 1243 would authorize appropriations and other matters for Fiscal Year 1988 and 1989 for intelligence activities of the United States Government, including certain Department of Defense intelligence-related activities within the jurisdiction of the Committee on Armed Services.

The Select Committee on Intelligence reported out the bill on May 20, 1987 and it was referred to this Committee under the provision of Section 3(b) of Senate Resolution 400, 94th Congress for a period of 30 days.

SCOPE OF COMMITTEE REVIEW

The Committee conducted a detailed review of the intelligence community budget request for Fiscal Years 1988 and 1989. This was the first year that the Administration and the Congress considered budget for the Department of Defense and the intelligence community is a two-year budget. The purpose of the two-year au-

thorization is to permit longer range planning within the Executive Branch, reduce turmoil caused by the annual budget process; and permit both the Congress and the Executive Branch to concentrate on issues of oversight and management and reduce the amount of time spent in the annual budget process.

The Committee has carefully reviewed the report of the Select Committee on Intelligence and has incorporated the relevant budgetary decisions of that Committee in the Defense Authorization Act for Fiscal Year 1988 and 1989 reported by this Committee on May 5.

AMENDMENTS AND OTHER MEASURES

The committee has considered and adopted one amendment and two additional measures.

COMMUNICATIONS SECURITY

The Committee supports the recommendation contained in the classified annex prepared by the SSCI that funds should be added to continue to improve communications security for certain domestic communications.

NET ASSESSMENTS BY THE INTELLIGENCE COMMUNITY

Net assessments provide a valuable source of information on the potential effectiveness of U.S. forces and weapons systems in hypothetical engagements with adversaries. In order to conduct such assessments, one requires detailed and accurate information on both foreign and U.S. weapons systems and tactics.

A small office exists in the Department of Defense to conduct and coordinate net assessments. This office, separate from the intelligence community, relies on data from the intelligence community relative to foreign weapons systems, as well as data from the military services and other DoD organizations on friendly forces. However, the results of these net assessments have been restricted primarily to the Secretary of Defense.

Up until 1981, there was some debate as to the extent to which the intelligence community should conduct or become involved in net assessments. Some have argued that while the intelligence community has expertise in foreign weapons systems and tactics, it lacks the requisite expertise and often the access to necessary data relative to U.S. forces. Further, it was argued that such analyses require a commitment of resources beyond what the community can afford without interfering with the overriding mission of foreign assessments. Proponents of intelligence community involvement have pointed out that the expertise and elaborate tools used by the intelligence community to evaluate and assess effectiveness of foreign weapons systems are equally applicable to U.S. weapons evaluations. Further, the involvement of the Intelligence Community would lend greater credibility to the results of net assessments. For example, in the acquisition of weapon systems, the service proponent of a particular weapon has the primary if not sole responsibility in assessing how well that weapon will perform against opposing threats.

In 1981, the Director of Central Intelligence and the Secretary of Defense agreed that they would jointly conduct net assessments in selected areas, and that DoD would provide the intelligence community with data on U.S. forces for use in these analyses. The most notable activity undertaken pursuant to this agreement to date, has been a joint net assessment of U.S. and Soviet strategic forces completed in 1983, and updated in 1985. However, these joint efforts have been very limited in number and scope. These efforts clearly could and should be expanded.

For example, it would be useful to have an independent net assessment of such strategic systems as the U.S. air-breathing systems against the Soviet Air Defense systems. This is particularly important given the well-publicized problems with the B-1B and the substantial investment yet to come in air breathing systems. Net assessments of key weapon systems will assist the executive branch and the Congress in making budgetary and programmatic decisions. Currently, the absence of such assessments means that very important decisions are often made without a complete or independent assessment of how these systems would fare in actual combat.

In June 1986, the Packard Commission recommended that the Department of Defense and the Intelligence Community expand its net assessment work. Specifically, the Packard Commission recommended that:

At the direction of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, with the assistance of the other members of the JCS and the CINCs, and in consultation with the Director of Central Intelligence, should also prepare a military net assessment that would:

Provide comparisons of the capabilities and effectiveness of U.S. military forces with those of potential adversaries for the Chairman's recommended national military strategy and other strategy options;

Reflect the military contributions of Allied Forces where appropriate;

Evaluate the risks of the Chairman's recommended national military strategy and any strategy options that he develops for the Secretary of Defense and the President; and

Cover the entire five-year planning period.

In the Goldwater-Nichols Defense Reorganization Act of 1986, the Chairman of the Joint Chiefs was given a new responsibility to perform "net assessments to determine the capabilities of the armed forces of the United States and its allies as compared with those of their potential adversaries" (10 U.S.C. 153(a)(2)(C), as amended by section 201 of P.L. 99-443.) This responsibility was added because the Congress believed that the Chairman should also have an enhanced role in net assessments.

The Committee believes that more involvement in specific net assessments by the Intelligence Community is a prerequisite for meaningful participation in the overall assessment of the national military strategy envisioned by the Packard Commission. The Committee is mindful, however, of the potential impact such involvement may have on resources and believes that intelligence commu-

nity participation should be structured so as to provide an alternative source of net assessment information for those Department of Defense weapons systems or plans judged critical.

Accordingly, the Committee directs the Secretary of Defense and the Director of Central Intelligence to develop a plan for the conduct of net assessments which allow for independent judgments by the intelligence community. The Committee believes that the following considerations should be taken into account in the development of this plan:

Intelligence community net assessments for the Department of Defense should be restricted to those areas judged critical to the overall effectiveness of U.S. national security policy, strategy, tactics or specific weapon systems. The plan should specifically identify and prioritize those areas selected for intelligence community participation and the reasons why they are judged "critical".

Given the resources associated with complex net assessments, the conduct of joint net assessments by DoD and the intelligence community are acceptable. The plan should permit the intelligence community to have an equal role in establishing the parameters of the assessment and to arrive at independent conclusions based on the results. The process used in the preparation of national intelligence estimates is a useful model in this regard, including procedures for reporting dissenting opinions.

The completion of net assessments should be timed so as to provide maximum value in the decisionmaking process. The plan should set forth a timetable for initiation and completion of those net assessments identified for intelligence community participation.

Net assessments would be particularly valuable to senior officials involved in national security policy outside the Department of Defense in both the Executive Branch and Congress. The plan should provide a mechanism for dissemination of information on the results of net assessments to such officials. Further, appropriate senior officials should be consulted in the selection and prioritization of areas to be the subject of net assessments.

Furthermore, the Committee encourages the Intelligence Community, and specifically the CIA, to improve its analysis of how the Soviets view "the correlation of forces," which is the Soviet term analogous to net assessments.

The Committee requests that the plan be provided to the Armed Services, Intelligence, and Appropriations Committees of the House and Senate no later than March 1, 1988 with an implementation date as soon thereafter as practical but no later than October 1, 1988. The Committee will assess the plan as a basis for any further action in this area deemed appropriate.

UNDISTRIBUTED REDUCTIONS AND THE NATIONAL FOREIGN INTELLIGENCE PROGRAM

The Committee is concerned about the impact on the National Foreign Intelligence Program of undistributed reductions in the Department of Defense Authorization which might be required as a result of Congressional action. It is the intent of the committee that undistributed reductions applied in the Fiscal Year 1988 and

Fiscal Year 1989 Department of Defense Authorization Act to appropriations accounts of the Department of Defense shall not be applied to elements of the National Foreign Intelligence Program contained in those accounts.

COMMITTEE ACTION

On July 14, 1987 the Committee on Armed Services approved the bill as amended and ordered it favorably reported.

EVALUATION OF REGULATORY IMPACT

In accordance with paragraph 11(b) of Rule XXVI of the Standing Rules of the Committee, the Committee finds no regulatory impact will be incurred in implementing the provisions of this legislation.

CHANGES IN EXISTING LAW

In the opinion of the Committee, it is necessary to dispense with the requirements of Rule 12 of Rule XXVI of the Standing Rules of the Senate in order to expedite the business of the Senate.

**MEMORANDUM FOR THE SECRETARY OF DEFENSE
THE DIRECTOR OF CENTRAL INTELLIGENCE**

Subject: Intelligence Community Support of Net Assessment

The enclosed plan for Intelligence Community support of DOD net assessments and the letters of transmittal to committee chairman have been prepared in response to a requirement included in the Intelligence Authorization Act for Fiscal Year 1989. The plan and letters of transmittal have the agreement of the members of the DOD Net Assessment Coordinating Committee.

Request your approval and signature on the enclosed letters.

RICHARD L. ARMITAGE
Assistant Secretary of Defense
(International Security Affairs)

ROBERT W. RISCASSI
Lieutenant General, USA
Director, Joint Staff

Dear _____ (Chairman, SASC, SSCI, SAC, HASC, HSCI,
HAC)

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 judgments 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 yours,

FRANK C. CARLUCCI
Secretary of Defense

WILLIAM H. WEBSTER
Director of Central Intelligence

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 both 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.

Central Intelligence Agency



Washington, D.C. 20505

Executive Registry
87-4117/1

08 SEP 1987

Admiral William J. Crowe, Jr.
Chairman
Joint Chiefs of Staff
Washington, D.C. 20301

Dear Bill:

Thank you very much for your letter inviting Intelligence Community participation in net assessments conducted by the Joint Chiefs of Staff. I agree with you completely that joint net assessments are the preferred alternative to any type of unilateral net assessments. While the Nunn Amendment will require the expenditure of additional analytical resources throughout the Intelligence Community, I believe that the requirements contained therein are workable, particularly in close concert with the Department of Defense and the Joint Chiefs of Staff.

I have designated Major General Larry D. Budge, the National Intelligence Officer for General Purpose Forces, as my point of contact within the Intelligence Community to develop arrangements for conducting joint net assessments with the Department of Defense and the Joint Chiefs of Staff. I would suggest that your staff contact him and that together they develop the arrangements which you and I can then approve at a later date.

I enjoyed our visit and look forward to meeting again.

Sincerely yours,

/s/ William H. Webster

William H. Webster
Director of Central Intelligence

2 March 1988

NOTE TO: Director of Central Intelligence
Deputy Director of Central Intelligence

The Nunn ammendment also calls for the Intelligence Community, "and specifically the CIA," to improve its analysis of how the Soviets view relative military capabilities. With this in mind, I think it would be useful to add to the package the attached statement of what we plan to undertake this year in the way of "red" net assessments.



Richard J. Kerr
Deputy Director for Intelligence

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