

MEMORANDUM FOR: Mr. Lehman

Dick--

Attached is the production paper revised per the comments at our meeting this morning.

Paul V. Walsh
ADDI

Date 25 February 1976

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LATEST VERSION (10 pages)

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24 February 1976

On the Production of National Intelligence

I. Who Has the Responsibility?

The National Security Act of 1947 as clarified in Executive Order 11905 gives to the DCI the personal responsibility for supervising the production and dissemination of national intelligence [Sec 3 (d) (1) (iv)] and to CIA the responsibility for the production and dissemination of foreign intelligence relating to national security to meet the needs of the President, NSC, and other elements of the Government [Sec 4 (b)].

II. What is National Intelligence?

Traditionally, national intelligence has been considered to be the findings and judgments of the DCI that also:*

(1) Includes an input from each member of the Community to the extent that it is able to contribute to the question at hand.

*This discussion focuses on the National Intelligence Estimate as the personal product of the DCI and includes other art-forms such as National Intelligence Analytic Memoranda and inter-agency memoranda prepared by the Community under DCI auspices. It excludes national current intelligence publications which are prepared by CIA under separate institutional arrangements.

(2) Reflects the agreed judgment or consensus of all members of the Intelligence Community.

(3) Contains the dissenting view of any member of the Community who cannot share in the consensus.

III. The Mechanics of Producing National Intelligence

A. Whatever the arrangements for the production of national intelligence, it is clear that a USIB or something like it is needed. To reflect the changes created by E.O. 11905 a recreated USIB should properly bear a title reflecting its fundamental concern--the production of national intelligence. Let's call it the National Intelligence Board (NIB).

B. Under the auspices of the NIB, there are, of course, alternative approaches to the production of national intelligence. The viable options would seem to be three:

Option 1--

The present system whereby national intelligence is produced under the auspices of the NIOs.

Option 2--

A return to the system whereby national intelligence is produced by an Office of National Estimates under the general guidance of a Board of National Estimates subordinate to the DCI and independent of all production components of the CIA or the Community.

Option 3--

A system whereby national intelligence is produced by a Board of National Estimates integrated with the intelligence production organization of CIA but involving the full participation of the Community.

Option 1

The NIO system was instituted to fulfill two main objectives:

- To provide a group of senior experts on foreign and military affairs at the DCI level each of whom would serve as the focal point of the Community's activities (collection, production

and customer relations) on major substantive problems and as personal briefing officers for the Director.

- To replace the Board of National Estimates, a mechanism which had become generally recognized as relatively ineffective and unresponsive to the needs of senior national security officials.

The track record of the NIO system is mixed.

On the plus side:

- It served well the personal needs of and accommodated to the management style of the previous DCI.
- It helped to rationalize the proper subject matters for national intelligence by reducing the number of estimates on subjects of marginal interest to national security officials.
- It facilitated the identification of critical national intelligence problems and helped to focus the productive effort on these questions.

- It improved the Community's procedures for identifying potential crisis situations and implementing necessary action programs.

On the negative side:

- The NIO system failed to achieve fuller participation of the Community in the production of national intelligence. Most of the production under NIO auspices was and is drafted by the line production offices of CIA.
- The NIO system was not designed to develop a collegial process for the production and review of its products. In most cases they are managed by one or another regional or functional specialist who may lack the breadth of study and experience that are critical to the estimative function.
- The reliance of the NIO system on CIA line components created a bureaucratic anomaly which diluted the authority of the DDI as the primary

producer of finished intelligence and the principal substantive intelligence advisor to the DCI. In some important instances the NIO system usurped inordinate amounts of the time of analysts and supervisors simply to manage the production of NIEs. The NIO system, in effect, created an important center for the production of national intelligence which used the production assets of the Agency but was outside the supervisory control of senior Agency officials.

-- In much of the Community, the NIO system is regarded as a mechanism which fails to adequately consider the interests of other agencies and interferes with their management prerogatives.

Option 2

Under this option the responsibility for the production of national intelligence would revert to a system resembling the former Board of National Estimates (BNE) and its supporting staff, the

Office of National Estimates (ONE), which were directly subordinate to the DCI. This system, originally commendable because of the quality of its people and its collegial process, came ultimately to have few admirers and many critics.

- The BNE had a reputation for its inability to adjust to change quickly.
- It was composed, for the most part, of individuals of narrow substantive or area specialties, often of an age or intellectual bias that preempted free exchange and objective examination of the situations under study.
- It developed a "raison d'etre" which promoted its collegial views but preempted free exchange of the views of other members of the Community.
- As an independent bureaucratic entity, it created an adversary relationship between itself and the other production components of the Agency.
- Its weak procedures for contact with the customers of intelligence were generally ineffective.

In sum, there are few seasoned observers in the Intelligence Community, or among the primary consumers of intelligence, who would regard a return to the BNE/ONE as anything but regressive.

Option 3

Under this option national intelligence would be produced with full Community participation, including the right of dissent, but under the aegis of a Board of National Estimates operating under the direct supervision and control of the DCI's Deputy for CIA.*

If the operative conditions of Option 3 included the following, it would appear to be a viable and effective approach to the production of national intelligence:

- A small and elite collegial board, the majority of whose members would be from outside CIA and preferably from outside Government.

- Representation by the primary intelligence producers of the Community--CIA, DIA, INR--on the board.

*There are, of course, variants to Option 3. The Board of National Estimates could, for example, be immediately subordinate to the DCI or to the Deputy Director for Intelligence provided that the drafting and production of national intelligence remained the responsibility of the line components of CIA.

- Membership of fixed terms so that the independence and objectivity of board members would not be influenced by concerns of job security or career advancement.

The adoption of Option 3 would present several advantages:

- It would give to the CIA, the principal substantive resource of the DCI, full control of and responsibility for all aspects of the national intelligence provided to the DCI and senior national security officials.
- It would create a buffer to protect both the DCI and the Board of National Estimates from the departmental and political pressures generated when estimative judgments are at odds with the budgetary or policy positions of other departments and agencies of the US Government.
- It would enable better integration of the effort of those intelligence officials charged with the estimative

function and the line components which produce the primary research and current intelligence inputs for national intelligence.

- It would preclude the bureaucratic rivalries characteristic of all previous systems which separated the estimative and analytic functions.
- The integration of the estimative and analytic components would enable a significant reduction in the resources used for the present system.
- It would provide an integrated production effort to support those elements of the Community concerned with the contribution of collection programs to the production process.