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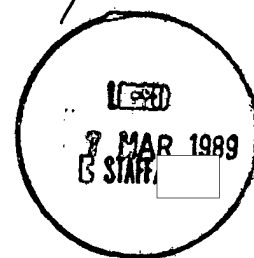
Next 2 Page(s) In Document Denied

The Director of Central Intelligence

Washington, D.C. 20505

Leg 3-SR

2 March 1989



The Honorable William H. Taft IV
Acting Secretary of Defense
Washington, D. C. 20301

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Dear Will:

As we discussed last Friday, your memorandum of 19 January 1989 concerning the authorities of the DCI and the Department with regard to the budgets of the NFIP elements in Defense is of considerable concern. I believe it has been clear for the past 12 years since the issuance of E.O. 12036 (and restated in E.O. 12333) that the DCI has the final decision authority over the NFIP that is to be presented to the President for approval. Since your memorandum seems to imply that the Department has that ultimate authority, I want to correct any misimpression or misunderstanding that it may cause within the Department.

Executive Order 12333 gives the Director of Central Intelligence, after consultation with the Program Managers and heads of Departments and Agencies, the responsibility to present the recommended budget for the NFIP to the President and Congress. Heads of Departments and Agencies may appeal such decisions of the DCI to the President. The inviolability of NFIP budget to Departmental adjustment was recognized and supported by the strong policy statement of the Deputy Secretary of Defense to the Secretaries of the Military Departments, the Chairman of the Joint Chiefs of Staff, and the Office of the Secretary of Defense Staff in the memorandum of 17 April 1981 to which you referred. I cannot fulfill the responsibilities assigned to me by the President in the absence of strict adherence to these principles by all elements of the Department. Over the years, elements of the Department have chafed under these conditions and have on occasion violated or attempted to violate these principles. In almost every case, we have succeeded in undoing the resulting harm. Unless you withdraw or correct your memorandum of 19 January 1989, any element of the Defense bureaucracy could consider the NFIP "fair game." I am sure you can appreciate why I cannot allow such a situation to occur.

The Honorable William H. Taft IV

Typical of the problem that can occur is the 6 February 1989 memorandum, Subject: Review of Defense Agencies Manpower. Without any acknowledgment of the DCI, the memorandum calls for plans to roll back Defense Agency manpower to the levels of year-end FY 1983. As you are aware, the DCI has been restoring the capabilities of the NFIP since 1981. Included were specific proposals, in which Defense concurred, to increase the manpower of both DIA and NSA. These proposals won the support of the President and ultimately the Congress. I know of no logical reason for arbitrarily cutting back to the year-end FY 1983 levels. If resource constraints require a manpower cutback, I will decide to do so within the preservation of the most balanced NFIP possible in accordance with extant requirements and priorities. I, therefore, request that the Assistant Secretary (Force Management and Personnel) be directed to exclude the NFIP elements of NSA and DIA from consideration in this review.

I believe it is important to set the record straight on these matters. I believe we have worked well together under this mode in the past and can continue to do so in the future.

Sincerely yours,



William H. Webster

The Honorable William H. Taft, IV

DCI/ICS/DD/ICS, (13 February 1989)

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