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Intelligence Community in the 1990s

Study Group Report to the
Director of Central Intelligence

29 May 1991

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Introduction

In March 1991, the Director of Central Intelligence commissioned a Study Group comprised of eight former and current senior intelligence officers to examine the mission, function and organizational structure of the Intelligence Community, and to identify alternatives for strengthening its ability to meet the substantive intelligence challenges of the 1990s and beyond. In addition, the DCI directed the Study Group to examine existing DCI authorities and responsibilities and recommend alternatives, if appropriate or necessary, for enhancing his role in managing and directing the Intelligence Community. The DCI further directed that the results of this study be made available to him no later than May 1991. A list of the Study Group members is included at Appendix A.

Scope and Methodology

The Study Group concluded early in its deliberations that it would be impractical to conduct an extensive, in-depth assessment of current Intelligence Community operations and activities, or to try to develop an ideal organizational plan for the Intelligence Community of the future. Instead, the Group focused on identifying and understanding the major substantive national security issues that will challenge the Intelligence Community in the future and, from that, developing alternatives--both functional and structural--that would enhance the Community's ability to meet these challenges.

The findings and conclusions contained in this report are based largely on anecdotal evidence derived from substantive interviews of some 70 former and current senior officials, both within and outside the Intelligence Community, as well as the extensive knowledge and experience of the Study Group members themselves. The Group also reviewed a wide variety of background materials, including ongoing reorganization plans underway in various parts of the Intelligence Community, strategic planning documents prepared by the CIA and NSA, and previous studies on the Intelligence Community structure dating to the mid-1970s. In addition, the Group examined existing enabling legislation concerning DCI authorities and responsibilities, including Public Laws, Executive Orders, National Security Council Intelligence Directives (NSCIDs) and Director of Central Intelligence Directives (DCIDs).

A list of the individuals interviewed by the Study Group and a bibliography of relevant background documentation can be found at Appendices B and C, respectively.

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Future Intelligence Architecture

Over the past four decades, the Intelligence Community has undergone continuous evolutionary change in response to the increasingly complex challenges it has faced in support of US national security policy. The next decade is likely to present even more dramatic challenges for the Community, and be less predictable. This section summarizes the Study Group's findings on the key issues that will drive intelligence in the next decade; and outlines a conceptual framework for considering the changes in the Community we believe are necessary to accommodate them.

Key Intelligence Issues

The beginning of the last decade of the twentieth century will be recorded as a time of significant change in the world order, with the demise of communist regimes in Eastern Europe, growing instability in the Soviet Union, and a resurgence of less traditional political and economic issues that will dominate international relations for some time to come. These changes have broad implications for US national security policy and, by extension, for the focus and direction of US intelligence in the 1990s and beyond.

The traditional military threats of the past 40 years have been largely replaced by a host of new security threats emerging from the less predictable nature of the world order. These include:

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Findings and Conclusions

This section describes the key problems identified by the Study Group, and, where appropriate, suggests alternatives for correcting them. This section is divided into four parts:

--General observations.
--DCI authorities and responsibilities.
--Functional intelligence issues.
--Summary of Conclusions.

General Observations

The Study Group has concluded that, on balance, the current Intelligence Community organizational structure is working reasonably well; and that major restructuring is not necessary to meet the challenges we foresee. Indeed, based on all of the evidence presented to us, we do not believe there is a persuasive--or valid--case for reorganizing the Community. Rather, we believe that the Community as it is configured today has the flexibility to respond effectively to the changing world order, and that its ability to do so remains largely a function of the caliber of its people and the leadership, initiative and creativity they demonstrate. In addition, we believe that the DCI's authorities are generally adequate to enable him to fulfill his responsibilities, although in certain areas it may be useful to clarify or strengthen them.

The Study Group did identify a number of problems in the way the Intelligence Community functions today, but believes that, for the most part, they can and should be resolved through management initiatives rather than major restructuring. Chief among these are:

--Community management.
--Program evaluation and resource decisionmaking.

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The Study Group notes that the ability of the Community to perform its mission successfully depends heavily on the strength of the personal relationships among its principal leaders. Some have argued that the Intelligence Community needs a more formal structural arrangement that does not rely on personal relationships. While there are clearly valid arguments for this point of view, the Group believes that it is unrealistic to try to institutionalize a structure that is "personality-proof."

The Study Group also notes that a number of significant organizational changes are in the process of being implemented in certain parts of the Intelligence Community. The Group believes strongly that it is incumbent upon the DCI and the Secretary of Defense to ensure that the results of these efforts are as intended, and that appropriate steps to modify and refine them are taken as circumstances warrant. Of particular relevance are

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DCI Authorities and Responsibilities

The Study Group believes that, in general, the DCI's authorities are adequate to fulfill his responsibilities. These authorities emanate primarily from Executive Order, supplemented by NSCIDs and DCIDs, and are thus subject to change and interpretation by the President. In the final analysis, the effectiveness of any DCI will be primarily dependent on his relationship with the President and, to a significant extent, with the Secretary of Defense; and legislation cannot dictate those relationships.

Director of National Intelligence

Discussion:

Over the years, a number of proposals have been made for creating a Director of National Intelligence (DNI) who would function as the head of the Intelligence Community and serve as the President's senior intelligence advisor; but, would not manage and direct the Central Intelligence Agency.

Sen. Arlen Specter (R PA) has recently proposed such legislation (S-421), the essential element of which would split the current DCI's responsibilities between a DNI and a Director   25X1 of the Central Intelligence Agency (D/CIA). Each would have a deputy authorized to act in the absence of the principal. All four positions would be appointed by the President and confirmed by the Senate.

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of Defense may wish to examine options for consolidating these units and exercising them periodically with the military commands they would likely be called upon to support in a crisis.

--Selection of NRO/NSA/DIA Directors.   Some interviewees believe that the DCI should have a stronger role in the selection of these individuals.   The issue here seems to be one of clarifying/strengthening the DCI's command authority over these major elements of the national intelligence community to enhance accountability and the decisionmaking process.

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DCI Science Advisory Board

Discussion:

A recurring theme that emerged during the course of the Study Group's interviews was the effectiveness with which the Intelligence Community uses technology.   Some cited perceived weaknesses in technical surveillance countermeasures.   Others noted shortfalls in the application of ADP technology, especially in the intelligence production area, where analytic tools have not kept pace with recent technological advances.   A number of 25X1 25X1
alternatives were suggested to remedy these shortfalls, including reconstituting the Intelligence R&D Council.

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Open Source Collection and Exploitation

Discussion:

Open source information is an exceptionally rich source of data that is now readily available from previously denied areas of the world, in an increasingly diverse array of visual, print and electronic media. While the increased availability of open source information will provide additional opportunities for intelligence, the sheer volume will pose significant challenges in the years ahead. Our ability to exploit it fully will have a pervasive effect on the quality, timeliness, and relevance of intelligence collection, processing, and analysis. Today, the capabilities needed to do that lack strong advocacy and well coordinated management and control.

Conclusion:

The Group believes that the Community has thus far attacked the open source problem in piecemeal fashion. In our view, the Community needs to develop a comprehensive plan for collecting and exploiting open source information, factoring this development into its overall program plans for the future. For example, the Community's clandestine collection strategy will need to be revised as will the way in which requirements are formulated, bearing in mind that a great deal of information that could only be obtained clandestinely for the past 40 years is now in the public domain. Moreover, accommodating open source exploitation will require additional resource investment to expand in an orderly fashion the skeletal capabilities that exist today.

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Counterintelligence

Discussion:

A number of steps have been taken in recent years to improve US counterintelligence, with positive results. Nevertheless, the Study Group found strong consensus that further improvements are needed. Of particular concern are the Community's analytic capability to identify and counter hostile threats, and the effectiveness of the vaious mechanisms that have been established for managing and directing the counterintelligence effort. Some believe that the creation of the Counterintelligence Center has been a step in the right direction; others believe more needs to be done, especially in the military services.

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Summary of Conclusions

General Observations

--On balance, the current Intelligence Community organizational structure is working reasonably well and major restructuring is not necessary.

--The DCI's authorities are generally adequate to enable him to fulfill his responsibilities, although some clarification may be needed in certain areas.

--There are a number of problems in the way the Community functions that can and should be resolved through management initiatives rather than restructuring.

--Intelligence support to military operations needs to be strengthened, but recent experience in Operation Desert Shield/Desert Storm by itself ought not be the driving force behind decisions on how the Community should be structured in the future.

DCI Authorities and Responsibilities

--The liabilities associated with creating a Director of National Intelligence far outweigh the potential benefits, and neither the President or the Intelligence Community would be well served by creation of such a position.

--A second DDCI position should be established to manage Community affairs, and one of the three senior positions should normally be filled by a four-star military officer.

--The Intelligence Community Staff should be strengthened and colocated with the DCI at Langley.

--The NFIP budget should remain classified
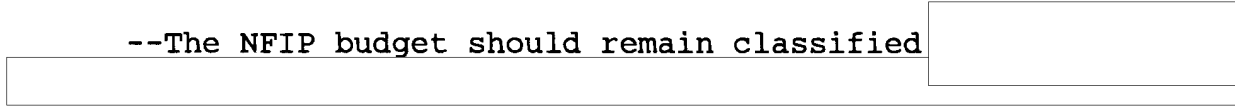
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--The DCI's budgetary authority should be strengthened by giving him final authority for formulating and executing the NFIP budget, including authority to reprogram funds.

--The NFIC needs to place greater emphasis on program evaluation to ensure that scarce resources are invested wisely, and that operational systems remain cost effective.

--The resource decisionmaking process should be strengthened by creating an NFIC "executive committee" composed of three or four key NFIC members; or by replacing NFIC with a senior decisionmaking body, chaired by the DCI and composed of the Deputy Secretary of Defense and the Deputy Assistant to the President for National Security Affairs.

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Functional Intelligence Issues

--Policymakers continue to favor competitive intelligence analysis, but in light of future resource constraints, the Community should reassess its competitive analysis program to determine how much is needed, in what areas, and at what cost.

--The existing National Intelligence Council structure may no longer be the most effective means to develop long term estimates and should be reassessed in light of future substantive priorities.

--A comprehensive plan for collecting and exploiting open source information needs to be developed; additional resources will need to be devoted to this effort in the future.

--Clandestine support to military operations needs to be strengthened and a dedicated focal point structure within CIA/DO should be established for this purpose.

--Steps should be taken to clarify the role and responsibilities of CIA and DoD in satisfying military intelligence requirements and to strengthen DIA management and coordination of DoD clandestine HUMINT activities.

--The Community's HUMINT collection strategy needs to be reassessed to ensure that our clandestine resources are deployed where the substantive contribution is the highest.

--The current imagery structure is working well for the most part and major restructuring is not needed.

--The DCI should urge the Secretary of Defense to move aggressively to establish a flexible and robust communications architecture to accommodate transmission of imagery to the field; and to develop and enforce strict standards of interoperability within and among the military services for secondary imagery distribution.

--A review of imagery exploitation activites should be undertaken to identify and eliminate unnecessary duplication and redundancy.
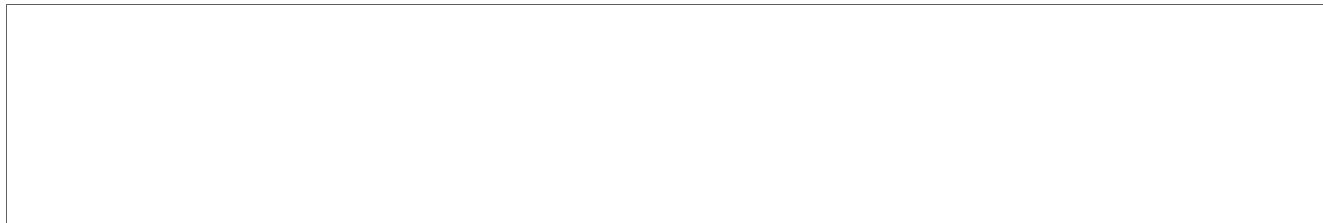
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--The DCI and DIRNSA should undertake a review of existing and planned SIGINT programs to ensure that scarce resources are applied to the most critical substantive priorities and that they are fully responsive to user needs.

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Appendix B

<u>INTERVIEWS</u>

Former Government/Private Sector

Gen. Lew Allen	William Hyland
Norman Augustine	Richard Helms
William Bennett	Evan Hineman
Zbigniew Brzezinski	Adm. Bobby Inman
Frank Carlucci	Robert Kohler
Dr. Raymond Cline	Barry Kelly
William Colby	Donald Latham
Adm. William Crowe	John McMahon
John Deutch	LtGen. William Odom
[ ]	James Schlesinger 25X1
	Adm. Stansfield Turner

Intelligence Community

Duane Andrews	Fredrick Hitz
Helene Boatner	Rae Huffstutler
RADM Thomas Brooks	Richard J. Kerr
MGen. James Clapper	William Lackman
[ ]	Col. James McKinney 25X1
LtGen. Charles Eichelberger	Douglas Mulholland
Fritz Ermarth	Edmund Nowinski
Martin Faga	[ ] 25X1
[ ]	[ ] 25X1
	Elizabeth Rindskoff
Douglas Gow	[ ] 25X1
Robert Guth	LtGen. Edward Soyster
Charles Hawkins	Wayne Strand
Joseph Hayes	Adm. William Studeman
Leo Hazlewood	[ ] 25X1
John Helgerson	Thomas Twetten
Jimmie Hill	[ ] 25X1
James Hirsch	LtGen. Norman Wood

Other Government

William Baker	I. Lewis Libby
LtGen. Michael Carnes	James Locker
Arnold Donahue	RADM Michael McConnell
Robert Gates	Gen. Colin Powell
Richard Haver	John Robson
Adm. David Jeremiah	Henry Rowen
Robert Kimmitt	

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