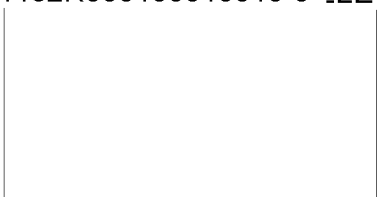


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ISSUE 1: RESPONSIVENESS OF INTELLIGENCE TO USER NEEDS

A. Tentative Decision: Issue a directive from the President or from the NSC, for the DCI to develop a plan for submission within 30 days to identify high priority substantive intelligence needs and a systematic production and collection strategy and timetable to meet these needs.

B. DCI Appeal: I do not disagree that the Intelligence Community must continue to improve its responsiveness to user needs. However, I do object to the proposed OMB solution as redundant to and disruptive of the efforts already under way to address the problem, especially since I cannot in good conscience see it as a panacea. This has been and continues to be a major function of the Director of Central Intelligence, most recently reinforced by the issuance of Executive Order 11905 with an even stronger mandate than previous instructions to the DCI. The entire process of managing both the resources and substantive efforts of the Intelligence Community is geared to this end. It is not only a continuous process but also one that is continuously being evaluated. The DCI identifies priority intelligence needs and methods of meeting them in such periodic documents as DCI Directive 1/2, DCI Perspectives, DCI Goals and Objectives, the DCI's Annual Report, and various other directives and requirements statements. Under the provisions of EO 11905, the DCI and the CFI constantly review the resources required to meet these needs. Plans are in train currently for a meeting of the NSC in December, pursuant to EO 11905 and NSC directives, to assess the problems and performance of the Intelligence Community. A report on the activities of the CFI has been prepared for this assessment. A report on the value and problems of intelligence production is in final preparation. The new management initiatives undertaken as a result of EO 11905 are barely six months old. They should be given more of an opportunity to take hold before passing judgment upon their efficacy.



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Draft No. 2
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DCI TALKING POINTS

Issue 1: Responsiveness of Intelligence to User Needs

ISSUE: Issue a directive from the President or from the NSC, for the DCI to develop a plan for submission within 30 days to identify high priority substantive intelligence needs and a systematic production and collection strategy and timetable to meet these needs.

- o Responsiveness to user needs is a long-standing problem for the Intelligence Community.
- o We have been and continue to focus a considerable effort on improving the situation.
- o The complexities inherent in the intelligence process itself and the equally intractable complexities of the policy-maker's environment produce an unpredictable and not readily definable or controllable interface.
- o I wish the problem were as amenable to simple management solution as the OMB proposed plan. Unfortunately it is not.
- o Extensive efforts are already underway spurred by the initiatives in EO 11905.
- o Imposition of an arbitrary and superfluous planning initiative would produce either
 - A trivial but laborious addition to the current extensive efforts in this area, or
 - A major, unnecessary, and most probably unproductive disruption of these on-going efforts.

Issue Paper
National Foreign Intelligence Program
1978 Budget
Issue #1: Responsiveness of Intelligence to User Needs

Background

The Intelligence Community operates in a largely self-contained environment that emphasizes the requirements for security and undervalues the exchange of information and ideas with most outsiders. It is interested in maintaining a distance from policy concerns in both the foreign policy and national defense fields in order to protect the "objectivity" of its analysis. With a full generation of intelligence personnel brought up always entirely within the agencies themselves, the intelligence agencies have developed a remoteness from policy officials and their concerns that serves neither well. Rotation of intelligence personnel into non-intelligence positions is almost universally ignored and, similarly, the rotation of non-intelligence personnel into intelligence activities almost never occurs.

Without attempting to assess blame, three factors seem to contribute most to this problem:

1. Excessive compartmentation within intelligence activities. Given the obvious need for security of some intelligence activities, the intelligence community has built up an excessive array of security compartments and "need to know" criteria that frustrates even the most patient consumer. The maze of security clearances and requirements leads many consumers simply to ignore the intelligence community, rather than to utilize its information and product.
2. Identification of consumer concerns. Intelligence activities, both production and collection, appear to operate on the community's own internalized perception of consumer needs. No concerted or systematic effort is made by the community to interact with its consumers either to identify their needs or to adjust its own perception of them.

3. Resistance to outsiders. The agencies' personnel structures are almost completely dominated by personnel who have spent a career in intelligence. Both in production and collection activities, there is almost universal resistance to hiring new blood into their activities except at the most junior levels. Concurrently, there is extreme reluctance to rotate personnel with consumer organizations or even among the intelligence agencies themselves. Based on our NSSM 246 experience, we believe a concerted attack on this problem is necessary.

Statement of Issue

Should the President direct the DCI to develop a plan for submission within 30 days to identify high priority substantive intelligence needs of users and a systematic production and collection strategy and timetable to meet these needs?

Pros.

- The intelligence product seems increasingly irrelevant to many major policy concerns. The remoteness bred by excessive security compartmentation and the isolation of intelligence from policy problems is serving neither the President nor his major policy officials well.
- Mechanisms to facilitate the exchange of information, personnel, and ideas could be put into operation at very little cost if a concerted effort was attempted. These could include issuance of all intelligence products at Top Secret or lower classification (no compartments) and limiting compartmentation to sensitive collection and processing techniques (sources and methods) only. The DCI is aware of this problem and has requested, through the NSC, your approval for a major reform of compartmented security systems.

- An explicit policy of personnel rotation both with outside consumer organizations and among the intelligence agencies themselves would help to alleviate the present isolation of intelligence producers and collectors.
- Explicit identification by OMB/NSC of several NSSM 246 problem areas, such as warning of and sustainability of a Warsaw Pact attack and Soviet technological surprise, would serve to test the community's responsiveness prior to more drastic action.

Cons.

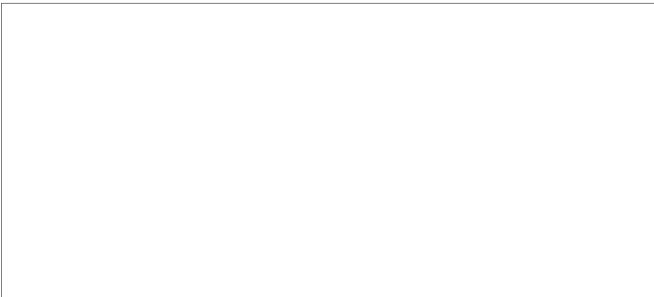
- The intelligence agencies have historically resisted efforts to break down security and related personnel barriers; they can be expected to continue to do so.
- Poor consumer relations are as much a consumer problem as an intelligence problem; the required interaction cannot be forced by the intelligence agencies alone.
- There is some increased danger both to security and to the objectivity of the intelligence process by radical steps of this kind.
- Some steps to improve consumer contacts have been initiated; the results of these efforts should be awaited.

Alternatives

- #1. Make no concerted effort at this time to improve the responsiveness of the intelligence community to user needs.
- #2. Direct the DCI to develop a plan for submission within 30 days to identify high priority substantive intelligence needs and a systematic production and collection strategy and timetable to meet these needs. The plan should consider necessary changes to security and personnel policies and identify high priority NSSM 246 problem areas identified above as some of the areas requiring analytical and collection attention.

CFI Request: Alternative #1. Appropriate steps are being taken within the intelligence community to address these problems on an incremental basis.

OMB Recommendation: Alternative #2. A concerted plan of attack on this problem needs to be made by the DCI with Presidential approval. The DCI is in the best position to and should develop a systematic plan of attack that provides for identifying and responding to user needs.



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