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Sir,

It is with pleasure that I send you a copy of my research paper on the NIC. As you will note, it has been revised according to our discussion on 17 March. I hope that the paper will indeed be useful to you and your colleagues.

I am grateful for the interest you have shown in the paper. I wish again to thank you for the opportunity to interview you. Research on this subject sparked an interest in me that will surely continue throughout my life.

As an intelligence officer whose primary interest is sub-Saharan Africa, I sincerely hope to have the privilege of associating with you in the future.



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**THE NATIONAL INTELLIGENCE COUNCIL: DEVELOPMENT AND IMPACT**

by

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## **THE NATIONAL INTELLIGENCE COUNCIL: DEVELOPMENT AND IMPACT**

### **INTRODUCTION**

The day that will live in infamy, 7 December 1941, was also the day that US policymakers realized that something had to be done to improve coordination in the US Intelligence Community. The institution that serves this purpose today is the National Intelligence Council. National Intelligence Officers for Africa, East Asia, Europe, Latin America, Near East/South Asia, the USSR, counterterrorism, economics, general purpose forces, narcotics, science and technology, and strategic programs, for example, represent the Director of Central Intelligence in these regional and functional arenas. If this system is the one that is to prevent future Pearl Harbors, it is necessary to trace its development, to examine how it works, and to determine whether it is sound.

### **EVOLUTION: FROM BNE TO NIC**

As Director of Central Intelligence (DCI), William Colby, in 1973, was able to implement a reform he had envisioned over several years. The Board of National Estimates (BNE), the Central Intelligence Agency (CIA) body that produced formal finished intelligence estimates on behalf of the entire national Intelligence Community, was down to only six members out of the normal twelve, because of a number of retirements. Rather than replenishing the BNEs membership, Colby dissolved the body, along

with its supporting Office of National Estimates (ONE).<sup>1</sup>

According to Dr. Harold Ford, whose 38-year intelligence career included such assignments as a CIA Chief of Station, Chief of the Estimates Staff at ONE, National Intelligence Officer (NIO), staff member with the Senate Intelligence Committee, and Vice-Chairman and Acting Chairman of the National Intelligence Council (NIC), the BNE and ONE were created by DCI General Walter Bedell Smith in 1950. This was to rectify the situation that led to intelligence "failures," such as the surprise Japanese attack at Pearl Harbor in 1941, and more relevant at the time, the recent failures to predict the June 1950 invasion of South Korea by the North, and the massive Chinese intervention in Korea in October and November.<sup>2</sup> In these cases, plenty of information was available within various agencies with intelligence capabilities that could have done a better job in forecasting these events, but information was not pooled together for comprehensive analysis. Additionally, some information was withheld from key personnel because it would refute strongly held views (advisors were afraid to provide General MacArthur with evidence of Chinese intervention since he had indicated he would not believe such a position.<sup>3</sup>)

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<sup>1</sup>William E. Colby, and Peter Forbath, Honorable Men (New York: Simon and Schuster, 1978), 351-52.

<sup>2</sup>Harold P. Ford, Adjunct Professor, Defense Intelligence College, interview by author, 8 November 1988.

<sup>3</sup>Capt. Ross S. Kelly, US Army, "The Real Stories Behind Those Intelligence 'Failures,'" Army 32 (January 1982): 12.

The ONE, whose creation was concurred with by President Truman, had three guiding principles: (1) it would bring together all information collected by members of the Intelligence Community; (2) it would produce national intelligence estimates which would be as objective as possible (analysts would "call it as they see it"); and (3) once produced, these estimates would be the most authoritative documents upon which national policymakers would base their decisions.<sup>4</sup>

For many years, the BNE system worked very well in terms of its guiding principles. The Board, composed of 12 generalists in world affairs, each with a significant background in various aspects of intelligence, was supported by a brilliant ONE staff. Specialists in the ONE drafted estimates, based on the first two guiding principles. The third guiding principle was achieved because Board members were well known and respected within the policymaking community. Thus Board members could "sell" estimates to the consumers; they could personally deliver estimates to key policymakers, and they could argue the merits of the products.<sup>5</sup> In addition, Board members were able to gauge the needs of intelligence consumers, and were thus able to establish schedules and frames of reference for products that would be of interest to the policymakers.<sup>6</sup>

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<sup>4</sup>Ford.

<sup>5</sup>Ford.

<sup>6</sup>Stephen J. Flanagan, "Managing the Intelligence Community," International Security 10 (Summer 1985): 85-86.

Eventually, however, problems developed in the BNE system. As policymakers and BNE members rotated in and out of office, the personal contacts that had proven so beneficial ceased. A new governing philosophy emerged within the BNE: to retain credibility as objective analysts, to avoid accusations that their estimates were tilted towards supporting pre-conceived views of policymakers, Board members were to remain as distant as possible from consumers.<sup>7</sup> The advantages of the close relationship, mentioned above, were lost; estimates became less and less the guiding documents behind policy decisions, and were more frequently completely ignored by key decisionmakers.

At the same time that the BNE was insulating itself from policymakers, the predictive quality of estimates was deteriorating. An estimate on Cuba failed to reveal the Soviet missile buildup; the importance of Cambodia as a shipment route of enemy personnel and materiel into Vietnam was underestimated;<sup>8</sup> elements of Soviet strategic capabilities were both overestimated and underestimated.<sup>9</sup> Finally, there was concern that the ONE, located as it was within the CIA headquarters, tended to discount the contributions of the other members of the Intelligence Community as it drafted estimates.<sup>10</sup>

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<sup>7</sup>Ford.

<sup>8</sup>Ford.

<sup>9</sup>Flanagan, 88.

<sup>10</sup>Flanagan, 86.

Disenchanted with the BNE's generalist composition and insulated nature, Colby got rid of it. In its place, he writes:

Thus, I created the positions of National Intelligence Officers, and I told the eleven men and one woman whom I chose for the jobs that they were to put themselves in my chair as DCI for their subject of specialization. . . . They were chosen from the intelligence community and private life as well as from CIA, and they served as the experts I needed in such subjects as China, Soviet affairs, Europe, Latin America, strategic weaponry, conventional forces, and economics, ranging throughout the intelligence community and out into the academic world to bring to me the best ideas and to press the different disciplines to integrate their functions.<sup>11</sup>

NIOs were encouraged by Colby to revert to the process of interacting strongly with policymakers in their specialized areas of concern. "Thus," says Flanagan, "the NIOs have advised DCIs on collection shortfalls and ways to rectify them, priorities in intelligence collection and production, resource allocation questions, and satisfaction of requirements by (Intelligence) Community elements."<sup>12</sup>

Criticism of the new system quickly surfaced. William Barnds, a former member of ONE, predicted in 1974 that without its own production staff, the new system would produce fewer and poorer estimates, because NIOs would require drafts from intelligence agencies that would, (1) task inferior analysts to the time-consuming drafting process, and (2) produce drafts that reflected the political considerations of the drafting agency. Furthermore, Barnds lamented the end of the collegial nature of

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<sup>11</sup>Colby, 352-53.

<sup>12</sup>Flanagan, 89.

the BNE, which had (1) encouraged a broad exchange of views among analysts with various backgrounds and expertise, and (2) allowed for a feeling of strength and independence within the executive structure.<sup>23</sup> Ford indicates that these concerns were well founded. Between 1973 and 1979, under the direction of 12 "unguided missiles," the number and impact of estimates decreased. The system failed to produce a National Intelligence Estimate (NIE) prior to the fall of the Shah in Iran, and CIA and DIA (Defense Intelligence Agency) "semi-estimates" concluded that Iran was neither in a revolutionary, nor even a pre-revolutionary state. Only a dozen NIEs were prepared in 1979.<sup>24</sup>

With some "encouragement" from President Carter, DCI Admiral Stansfield Turner sought to strengthen the NIO system. He instituted the National Intelligence Council (NIC) system, whereby the NIOs were brought together into a collegial body. The NIC was given a Chairman with extensive authority, a Vice-Chairman, and an Analytic Group (AG) as an estimate drafting body.<sup>25</sup> In 1981, DCI William Casey moved the NIC from under the control of the CIA's Deputy Director of Intelligence (DDI) to a position under his direct control, thus emphasizing the community

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<sup>23</sup>William J. Barnds, "Intelligence and Policymaking in an Institutional Context," in The National Foreign Intelligence Community, Vol. 1, eds. Capt. Susan Perrin and Mast. Sgt. Tom Baldwin (Washington, DC: Defense Intelligence College, 1988), 316.

<sup>24</sup>Ford.

<sup>25</sup>Ford.



nature of the body.<sup>26</sup> This system has remained basically unchanged since 1981.

#### THE NIC TODAY

The NIC today successfully meets the requirements of the intelligence cycle. That is, it is well suited to identify intelligence requirements, to mobilize the collection community to gather necessary information, to produce finished intelligence products for national-level consumers, and to evaluate the products.

#### Identifying Requirements

In order to determine what the Intelligence Community should focus on in terms of collection and production, the DCI, in consultation with the National Security Council (NSC), issues a document called National Intelligence Topics of Current Interest on an annual basis. The DCI also produces the US Foreign Intelligence Requirements Categories and Priorities document which prioritizes the most urgent requirements.<sup>27</sup> These documents provide the NIOs with a formal statement of needs from which they can plan a production schedule.

It is apparent, however, that NIOs plan production schedules based on a more informal process. According to Dr. Walter Barrows, NIO for Africa, direct access to policymakers provides

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<sup>26</sup>Flanagan, 92.

<sup>27</sup>Flanagan, 64.

the NIO with their concerns; a NIO often asks his "counterpart" at the NSC Staff, Department of State, or Department of Defense how the Intelligence Community can be of help, or "where it is falling short."<sup>19</sup> The DCI himself may direct a NIO to produce an estimate, as Casey did for a NIE on Mexico.<sup>20</sup> According to Maj. Gen. (Rtd) Edward Atkeson, who served as NIO for General Purpose Forces between 1982 and 1984, preparation of an estimate on the reliability of Warsaw Pact nations to remain loyal to the Soviet Union in wartime was proposed by the NIC Chairman. The Chairman did not task Gen. Atkeson to produce the estimate, but "used the Socratic method" to persuade him to do so.<sup>20</sup> Although the DCI has ultimate decisionmaking authority, the NIO himself generally determines what will be produced and when. Some estimates are planned well in advance, whereas others are initiated with little advance notice.

### **Focusing Collection**

The NIO is responsible for insuring that the intelligence collection community allocates its resources, whether clandestine human agents, or technical signal or imagery intelligence systems, or overt human sources and literature, to gather

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<sup>19</sup>Walter Barrows, National Intelligence Officer for Africa, interview by author, 10 November 1988.

<sup>20</sup>Bob Woodward, Veil: The Secret Wars of the CIA 1981-1987 (New York: Pocket Books, 1987), 386-87.

<sup>20</sup>Maj. Gen. (Rtd) Edward B. Atkeson, US Army, Adjunct Professor, Defense Intelligence College, interview by author, 14 November 1988.

necessary information. From a multitude of collection requirements documents and requests, which essentially require collectors to collect "everything about everything," the NIO must focus their efforts.<sup>21</sup>

NIOs hold monthly Warning Meetings, gathering about 50 people from every collection agency. The typical agenda will include two presentations concerning new problems or developments in the field. When the floor is open for discussion, attendees can volunteer their systems' capabilities, or may recall information that had been gathered but had seemed insignificant at the time. Attendees leave the meeting with a memorandum that highlights the needs for specific collection targets.<sup>22</sup>

Additionally, NIOs and their assistants often take trips to visit collectors "in the field"; these include CIA Chiefs of Station, ambassadors, deputy chiefs of mission, defense attaches, and National Security Agency (NSA) officials. When these individuals are in the Washington area, they usually visit the NIOs.<sup>23</sup>

If the NIO has a particular concern, he can generally contact a collection committee or the agency concerned directly. His stature is such that he can usually resolve matters without

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<sup>21</sup>Ford.

<sup>22</sup>Ford.

<sup>23</sup>Ford.

"going through the normal bureaucratic machinery."<sup>24</sup> The NIC Chairman can add increased weight to the NIO's requests; however, his main function in the collection process is simply to insure that adequate NIO/collection community interaction is in fact occurring, according to Maj. Gen. Frank Horton, DIA Deputy Director for Foreign Intelligence, and a recent NIC Chairman.<sup>25</sup> Finally, the DCI is the ultimate collection tasker who can be turned to for crucial decisions.

### **Producing Estimates**

Three types of formal finished intelligence products are coordinated by the NIOs. National Intelligence Estimates (NIEs) examine a country or international issue and include projections as they relate to US policy. Special National Intelligence Estimates (SNIEs) are usually shorter, more narrowly based products, developed quickly as a response to a pressing foreign policy concern. Interagency Intelligence Memoranda (IIMs) address short-range policy concerns and normally are not predictive.<sup>26</sup> NIOs coordinate production of these documents for their particular regional or functional areas. Issues that fall outside specified NIO regional or functional areas are handled by a NIO at-large, a position conceived of and first held by Hans

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<sup>24</sup>Barrows.

<sup>25</sup>Maj. Gen. Frank B. Horton III, US Air Force, Deputy Director for Foreign Intelligence, Defense Intelligence Agency, interview by author, 8 November 1988.

<sup>26</sup>Flanagan, 65-66.

Heymann. During his at-large tenure in the early 1980s, he became the national intelligence focal point for such policy concerns as Law of the Sea, chemical and toxin warfare, and nuclear proliferation.<sup>27</sup>

Because a NIO has only one or two assistants and one secretary at his direct disposal, the process of selecting a drafter for an estimate is crucial. Only about one third of estimates are assigned to the NIC's Analytic Group for drafting.<sup>28</sup> This is due to the very small size of the AG and to a sincere effort to involve the entire Intelligence Community in the estimates process.

The NIO may seek volunteers to draft an estimate. Volunteers are plentiful because agencies want the advantage of producing the draft that, more often than not, will conform to the final product.<sup>29</sup> In other instances, the NIO will favor a particular analyst as a drafter. His personal rapport with the agency official who controls the desired analyst is generally enough to have that analyst released from his normal duties to work on the estimate draft.<sup>30</sup> In any case, the NIO ultimately chooses the drafter from among those available to do the job, and then monitors the drafter's progress. When necessary, the NIO

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<sup>27</sup>Hans Heymann, Jr., Distinguished Professor, Defense Intelligence College, interview by author, 10 November 1988.

<sup>28</sup>Flanagan, 92.

<sup>29</sup>Atkeson.

<sup>30</sup>Barrows.

will intervene to insure the drafter receives necessary raw data from throughout the Intelligence Community.

Once prepared, the draft estimate is reviewed by the NIO, who may rewrite portions. The NIC Chairman, too, will review the draft and suggest improvements.<sup>31</sup> The NIO will present the draft to the National Foreign Intelligence Board (NFIB), composed of the chiefs of the Intelligence Community agencies, for formal review. In reality, the NFIB members will allow assistants at the working level to discuss the product.<sup>32</sup>

The NIO plays a major role in managing the resolution of differences of opinion. He will allow objections to provisions of the draft to be aired, but will normally challenge the objector to substantiate his claim with evidence.<sup>33</sup> If disagreements persist, either compromise language will be worked out, or the minority opinion will appear as a footnote in the final product. "We don't want a product cluttered with 18 footnotes, nor one with wishy-washy language," says Dr. Barrows.<sup>34</sup> Thus, differences on minor points will generally lead to compromise language, while differences on major points will appear in the body of the estimate as a footnote.<sup>35</sup>

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<sup>31</sup>Horton.

<sup>32</sup>Ford.

<sup>33</sup>Atkeson.

<sup>34</sup>Barrows.

<sup>35</sup>Barrows.

The final product is once again brought before the NFIB, whose members can either concur or nonconcur with it. Final approval, in every case, comes from the DCI, who releases the estimate to the policymaking community over his signature.

Informally, NIOs are constantly involved in what Dr. Ford calls "estimating".<sup>26</sup> Due to their frequent exposure to policymakers, in policymaking forums, at congressional hearings, or even in informal social settings, NIOs are often asked to provide their opinion on issues of concern. They are also able to suggest potential problems that policymakers may wish to consider.

#### **Evaluating Estimates**

Several mechanisms are in place for evaluation of estimates. The role of the NIC Chairman in the quality control process has been mentioned. Review by the NFIB insures that each member of the Intelligence Community has a say in the quality and content of estimates. Before the DCI approves an estimate for release, his Senior Review Panel, composed of distinguished scholars and former officials, will review it for qualitative and substantive matters.<sup>27</sup>

Outside of the DCI's control, the President's Foreign Intelligence Advisory Board (PFIAB), a group of distinguished private citizens charged with evaluating substantive aspects of

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<sup>26</sup>Ford.

<sup>27</sup>Horton.

the US intelligence program, does review estimates. The PFIAB's assessments of estimates in the mid-1970s were so negative that the President adopted its recommendation in 1976 to have a B-Team composed of personnel from outside the government produce competitive estimates, using the same data available to the Intelligence Community.<sup>20</sup> Although this practice was quickly discontinued, the point is that the PFIAB is an important player in the evaluative function.

As far as the actual consumers of intelligence estimates are concerned, there exists no formal mechanism of feedback to the NIC. Whether estimates satisfy the needs of policymakers can only be ascertained by NIOs and the DCI in their normal interactions with these officials.

#### EVALUATION OF THE NIC

The NIC is a sound and flexible institution that serves the US policymaking community well. It produced over 100 estimates in 1987. Its strengths, however, can only be maintained as long as it is staffed appropriately, with NIOs who combine functional or regional expertise, an ability to work effectively with large and small groups of people, and a keen awareness of the role of intelligence in the US policymaking arena.

The movement of the NIC to a position directly under the control of the DCI was a wise one. As long as the US retains an

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<sup>20</sup>Flanagan, 70-71.



Intelligence Community composed of several agencies, rather than a single super-agency, any intelligence input to policymakers must be the result of a community effort. The natural differences between members of the community provides the healthy effect of stimulating discussion, and that of offering alternative valid viewpoints to decisionmakers. Rightly or wrongly, while the NIC reported to the CIA's DDI, it was perceived as a CIA asset; it is now viewed as a community asset.

Composition of the NIC must similarly reflect the community nature of the organization. While the professional background of most NIOs reflects a CIA career, the trend is to bring in a greater number of personnel from other intelligence agencies, or even from outside of government. Out of the four former or present NIOs interviewed by this author, only one had a predominantly CIA background; the others were drawn from the Army, DIA, and the Rand Corporation. According to Maj. Gen. Horton, current NIOs also include a State Department official and a congressional staff member. Gen. Horton was the first military officer to serve as NIC Chairman and attributes this to DCI Casey's effort to emphasize the community nature of the NIC.<sup>39</sup> The trend toward increased community representation among NIOs must continue. Beyond symbolic reasons, rotation of agency participation in the NIC will prevent institutional biases from becoming entrenched within the powerful NIOs.

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<sup>39</sup>Horton.

Former DCI Stansfield Turner, a retired admiral, curiously enough believes analysis from the DIA and military services is inherently weak and cannot contribute effectively in the national estimates process: "Sometimes it was because of a lack of competence, sometimes it was the result of pressures against saying anything that could endanger some military policy, or endanger some military program that was up for consideration by Congress."<sup>40</sup> While this assertion is an unfair indictment of many independently-minded Defense Department analysts, the notion that institutional bias exists cannot be discounted. Using Turner's own logic, one could argue that CIA analysis is tilted toward protecting its many covert actions, an equally ludicrous assertion. The point is that a degree of institutional bias is an inherent characteristic of bureaucratic society. Competition within such a pluralistic setting is necessary in order to produce the most favorable results. The NIC, as it is organizationally structured and in the evolution of its composition, is an adequate body to stimulate this favorable competition.

In a constant effort to improve the quality of analysis, NIOs often organize forums whereby analysts can exchange views with members of the academic community. This practice should be institutionalized and broadened so that a series of such

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<sup>40</sup>Adm. (Rtd) Stansfield Turner, US Navy, "The CIA and National Security," Naval War College Review 37 (May-June 1984): 10.

conferences would be held on a regular basis. Besides scholars, participation should be extended to persons from a wide variety of backgrounds with an interest in the subject matter. Businesspeople, volunteers from private aid organizations, and missionaries could all provide valuable insights into various societies, for example. This practice would have the added benefit of "opening" the intelligence world to larger portions of US society and might serve to reverse negative public perceptions of the Intelligence Community.

The close link between NIO and policymaker is necessary to drive the intelligence cycle, but can be precarious. A NIO could potentially cross the threshold as a policy advocate. An unsubstantiated charge of this type has been levelled at the NIO who wrote in 1985 that providing military assistance to Iran could diminish Soviet influence in that country; this estimate, according to one writer, was used by the NSC Staff to justify its decision to sell arms to Iran.<sup>42</sup> This allegation may be quite unfair to the NIO in question, but it is the type of allegation that is serious enough to warrant an eternally vigilant attitude within the NIC. The DCI and NIC Chairman must insure that NIOs understand the limits of their influence, and, on the other hand, must protect NIOs from unwarranted charges of political motivation which can only discredit the contributions of NIOs.

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<sup>42</sup>David C. Morrison, "From Iran to Trade to Soviet Intentions, Can Government Intelligence Officers Keep Their Judgments Free of Politics?," Government Executive 19 (June 1987): 23-24.

There is no cure within the NIC structure to the lack of a formal feedback mechanism between policymaker and NIO. To put the matter on a higher plane, there is no way to insure that policymakers even make use of national intelligence products. Many policymakers are their own analysts; many hold their positions due to subject matter expertise; and they generally have access to the same raw intelligence data that estimate drafters do. It must also be recognized that intelligence is but one component that is considered in the policymaking process; pre-conceived notions, ideology, budget, and political realities also play a role. These problems, however, are rooted outside of the NIC structure. The best a NIO can do is use his power of persuasion to increase the impact of the intelligence estimate component in the policymaker's decisionmaking process.

#### CONCLUSION

Today's NIC is the result of a lengthy evolutionary process. It benefits from the mistakes of the past. It is a sound, flexible institution that serves the US policymaking process well. As long as it remains filled with dedicated and competent personnel, the NIC will continue to play a vital role in US national security.

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