

11 March 1981

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM: John A. Bross

SUBJECT: NFAC Organization

1. I had a long talk with Dick Lehman Monday about his organizational problems. There are a number of NIO vacancies, the most recent of which is occasioned by Bob Gates' transfer to the DCI office. In addition to existing vacancies, there are more coming up.

2. Dick wants to know whether he should go ahead with recommendations to fill these vacancies. He is not clear whether the NIO structure is here to stay or whether the DCI contemplates possible organizational changes. If the DCI is prepared to accept the NIO concept, does he perhaps have candidates of his own to fill one or more of the NIO positions.

3. On the latter point, the DCI said something to me about a Soviet expert, presently working on Time or Fortune, who might be qualified to fill Bob Gates' position. I did not have a chance to explore this idea or any alternatives any further before his departure on Friday last.

4. On the organizational front there are obviously alternatives ranging from the elimination of the NIO structure entirely and the reconstitution of the Board of National Estimates to a reversion to Bill Colby's original concept of a group of NIOs who are regarded as micro-DCIs, dealing with all aspects of community problems in their geographic area and reporting directly to the DCI.

5. Both of these extremes seem undesirable to me. The Board concept, I think, proved too rigid. The Board itself tended to become isolated from the decisionmaking process and the requirements of policymakers. The staff tended to become a competing element amongst many other analytical components of the community and certainly was the occasion of a great deal of friction in CIA. Members of the Board maintained that they could not function without the staff. Neither the Board nor the staff was organized (or really could be organized) to deal immediately and responsively with policymaking levels of the government--the Assistant Secretaries of State for geographic regions, for example.

6. On the other hand the Board did represent diverse views and a breadth of experience. Review by the Board ensured that each estimate was subjected to careful scrutiny by a group of people of proved competence, mature judgment and different backgrounds and perspectives.

7. The NIO concept has the advantage of considerable flexibility. The geographic NIO provides a point of contact with the regional bureau in State and with other components of the intelligence community. It also provides a central point within CIA to whom the DCI can turn for all-source intelligence coverage of a particular geographic area. This is, of course, a great advantage, particularly in times of crisis or when intelligence effort is required on short notice. It also helps to ensure that intelligence coverage tracks with developing political situations and changing requirements: The greatest practical problem with the NIO system is the difficulty of finding appropriately qualified people to fill the positions.

8. If the NIO arrangement is continued, a question remains as to where in the organization NIOs should be located. A number of NIOs reporting directly to the DCI or the DDCI seems to me a loose and confusing arrangement. The DCI and DDCI obviously should have direct access to the NIOs but some intermediary level of management, supervision, guidance and support seems to me desirable. (For a discussion of NIO location see Bruce Clarke's memorandum to the DDCI, attached.)

9. A basic issue, of course, is whether to continue the present NFAC, doubled hatted, arrangement. Opinions on this are obviously, to some degree influenced by personalities.

10. An element in the problem is the perceived need for an analytical mechanism supporting the DCI in his community as opposed to his Agency role. Personally, I think this is pure mythology. The law provides that CIA will collate, analyze and disseminate information affecting the national security. Obviously, an essential step in its performance of this responsibility is the necessity of making sure that all components of the community are given an adequate opportunity to express their views and to formulate dissents on particular issues. It is a basic responsibility of CIA to identify conflicting views. This can be accomplished by a mechanism which is completely integrated in CIA and does not logically call for the establishment of a component which, for the sake of appearances, is segregated from line components of the Agency. In the budgetary review and collection guidance fields the establishment of some purely, or essentially, community staff function seems realistic and desirable but not in the purely analytical and estimating field.

11. For these reasons I do not believe that any particularly useful purpose is served in having NIOs or a NIC report directly to the DCI simply to create the appearance of a community-oriented component. There may be other reasons for setting up an estimating establishment to deal with community problems which is separate from the other analytical elements of CIA. This may be desirable in order to give the national estimating process an appropriate level of prestige, authority and visibility.

12. On balance I find the NIO concept a useful one. I would like to see arrangements for pulling together relevant data on Soviet developments improved. This might involve the collocation of elements of OPA, OER, and OSR in some new bureaucratic unit. The same result might be achieved by a council on Soviet developments established to improve the focus on Soviet

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estimates. It might be achieved by the selection of a particularly strong, qualified and senior individual to act as an NIO with appropriate assistants.

13. Obviously, the reconstitution of a USIB-type board will help the whole situation a lot and create a forum in which community views can be expressed and the whole estimating process invigorated.

14. I think that the whole question should be the subject of at least a preliminary discussion with the DCI as soon as practicable after his return.

15. My recommendations are:

a. To fill the immediate NIO vacancies which includes a qualified replacement for Gates.

b. Live with the existing organization at least until Gates has had a chance to settle in and Nitze has had a chance to complete his preliminary survey.

c. The ultimate choice seems to me to boil down to:

(1) Recreating the Board.

(2) Continuing the present NIO organization with perhaps a strengthened National Intelligence Council and/or a reorganized Soviet component.

(3) The role of the SRP also requires a decision.



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Attachment



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