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~~(S)~~ NATIONAL RECONNAISSANCE OFFICE

WASHINGTON, D.C.

OFFICE OF THE DIRECTOR

12 April 1971

MEMORANDUM FOR THE RECORD

SUBJECT: Modifications of Intelligence Organization

The following thoughts are preliminary and make no claim to be otherwise. I expect over a period of time to pursue the topic further when I can devote more time to it.

With the creation of Bob Froehlke's office a year and a half ago, we began in DoD to have a way of looking at overall intelligence resources of the DoD in a coherent way. Because of its limited charter, the office has so far not done much substantive work in analyzing the real needs and comparing these needs with resources allocated. It has been mainly a fact-gathering activity, listing in various ways the money spent, and through development of CIRIS has been attempting to show just what it costs to collect against various intelligence targets. The data collected in CIRIS has not yet been very useful.

The limited charter of the office, the fact that the office is new and that its arrival on the scene was not greeted with much enthusiasm in the DoD may account for this situation. Bob Froehlke's personal lack of background in and lack of any career objectives in intelligence matters may also help explain it. However, Bob has done a great deal to open up and improve the communications among the top DoD intelligence people. The Friday morning breakfasts have proved to be very beneficial in getting better working relationships going. Certainly this atmosphere is a prerequisite to making added improvements.

Ultimately, there is no reason why such an office should not be in a position to

- a. price out the cost of collecting and processing various kinds of intelligence.
- b. do the same for intelligence on certain targets.

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- c. compare alternative ways of accomplishing our intelligence objectives.
- d. draw up a set of priority/cost allocations for various systems/targets/objectives.
- e. reallocate responsibilities among DIA, NSA, and Services (and to some extent NRO) to achieve these objectives in a near-optimal way.

To do this kind of thing, the office chief and its key people must be people of broad intelligence background and good technical understanding of what the principal collection and processing techniques are and how they work. We need in the top two jobs men of good management background also. I stipulate the last point because I think it would be a mistake to bring in some brilliant experts who know very much about technology but who are not well enough organized to do a good job of management.

Assuming the office can be headed by the right kind of people I believe it can make great progress, dealing with such questions as clarification of requirements, overlap of collection methods, deciding which old systems to keep alive after newer ones are doing the job, etc.

Recruiting for the top job will be easier if the job is called ASD(I). This title implies that the authority of the secretary has been delegated to ASD(I), hence getting better response from the various offices of OSD and the military departments and other agencies. The charter for the office must clearly spell out the scope of duties and clarify whether the office deals only with policy or whether it includes program formulation and direction.

The Secretary of Defense has recently asked for an additional Deputy Secretary of Defense and two ASDs. (He is apparently thinking of setting up an ASD(I) and has the President's backing to go to Congress for another deputy plus two ASDs.)

An ASD(I), if he does his job properly, would have considerable impact on the job of the DNRO. This is not necessarily bad. I think--assuming that the proposed ASD(I) and the DNRO are



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simpatico--that the ASD(I) could develop plans involving all DoD intelligence resources which would be developed jointly with the DNRO. To an increasing extent, we in NRO are now tackling the problem of overlap between the capabilities of our own systems. This will be expanded within a year and will eventually lead to our specifying a number of systems for the future which will meet those requirements in near optimal fashion. The ASD(I) needs to extend this kind of look to all DoD systems/requirements and thus could extrapolate from our staff studies.

If the new DepSecDef is intelligence oriented, then we could get by temporarily with the present structure. However, I believe it would be better all around to have an ASD(I) because a Dep-SecDef must deal on an hourly basis with a wide range of problems which will tend to monopolize his time and preclude the thoughtful analysis of the intelligence business which is needed.

It is impossible to treat DoD intelligence problems without getting into our relations with the CIA. The NRO enjoys the reputation, together with our Executive Committee, for having evolved a good working relationship between DoD and CIA. To achieve a better overall working relationship between CIA and DoD, I believe we need a counterpart to DCI. He does not need to be on the same level, but needs to work closely with DCI. We have the DCI working closely with DepSecDef and quite effectively. But only a few key problems get addressed by these men working together. There are of course other interfaces which work well or poorly, depending on the subject matter and the prerogatives of the respective agencies. For example, DDR&E and DD CIA(S&T) work well together on some aspects of missile intelligence gathering, but I believe that no coherent overall analysis of DoD/CIA resources devoted to this topic (or any other topic) has been made.

The CIA now overlaps DoD in many ways. Since the head of CIA is also the DCI, it would be "symmetrical" to have the ASD(I) also serve as DDI. This has the advantage of reducing problems of coordination which would arise if Director, CIA and DCI and ASD(I) and DDI were four people instead of two. People frequently point out that there is a serious disadvantage in having the DCI run the CIA, in that he tends to support a lot of their work which he should view with a more critical eye. However, I believe

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Dick Helms does an outstanding job of dealing with the various constituencies with which he must work.

Questions of overlap have become more serious recently as budgets have begun to receive more scrutiny. Adding to this problem is the fact that we are now developing more sophisticated space systems which are extremely costly (██████████ per copy). The newest systems are designed for longer useful lives in orbit and can be given more than one job, at least in the SIGINT area. However, these types of systems lead to fewer launches, more competition for limited funds, greater external visibility of fewer activities (launches), etc. More importantly, we must make sure that these newer and more expensive spacecraft do not overlap each other excessively; also, we must avoid unnecessary duplication with older systems. Attempts have been made to measure utility of intelligence by many methods, but seldom have we had the benefit of the judgment of a knowledgeable, experienced human being with a pragmatic, questioning attitude. We suspect, but cannot prove, there are much more intelligence collection efforts than we need or can use. Under present ground rules neither DoD nor CIA is charged with eliminating this overlap. I believe that some action outside of DoD and CIA may be necessary to spur us on to control this overlap. An outside agency may be the only way of dealing with this question because it is almost impossible for DoD-CIA to resolve an issue which will likely involve one or the other (perhaps both) giving up jurisdiction of things which each wants to control. I do not know if any outside group will be brought into play. In the meantime, the NIRB (National Intelligence Resources Board) is at least a beginning here.

One of the current problems is that stated intelligence requirements tend to be a mechanism for "system advocates" to justify their particular pet projects. Too often the requirements are established by intelligence proponents, not by the eventual consumer--a difficult person to find. A careful "separation of power of the various functions and the people involved in each is essential; i.e., advocates, analysts and users whose needs must finally be met. However, it is equally important that the outputs of these groups be brought together in an office such as the ASD(I for evaluation and eventual resolution, in concert with the DCI.

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In the NRO, as technology has advanced, we have seen an attempt made to balance workloads between Air Force and CIA, with only very broad guidelines to help us. Both agencies have dealt with photo systems, SIGINT systems, research and technology related to new systems, improvements to old systems and with field operations. Both have placed huge contracts with industry for system development and procurement. Systems have been developed where the Agency was responsible for the sensor package only and others where complete systems were done by the Agency, including ground station, data processing, etc. So we can find a precedent for everything--with the exception that the Agency is not in the booster business and does not operate an integrated satellite tracking network. The CIA doesn't supervise the actual launch of any spacecraft, but has assumed responsibility in one case for orbit injection, and if we go to the EOI photo system, CIA would very likely be in control ("on-line") of the tasking of the system

The Agency from its early days has been less hidebound than the military departments. Agency people have been imaginative and fast on their feet, less tied to the bureaucratic paper mill. Further, by being a civilian agency there is more continuity of personnel which can be a definite asset. I think that we need to find a way to reduce the overlap of responsibility between the Agency and Air Force, but do it in such a way as to preserve the best qualities of each.

There are any number of possible approaches to do this. For example, the CIA role might be limited to developing and demonstrating new technology. In the area of production, one possible way to cut the duplication might be to have one agency do all the contracting for production of space-based systems where the costs are likely to be [redacted] Airborne and ground based systems production costs are probably small by comparison and may not need to be included in any possible consolidation, especially since there appears to be less overlap of mission here.

Of course, there is the charter (attached) which specifies that only the Air Force will do complete space systems with CIA doing only the sensor portions and then only for certain assigned programs. This rule has been broken in the [redacted] case [redacted] presumably because it was felt that the integrated approach was preferable to the charter approach. However

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on a [REDACTED] are following the charter in that the payload was contracted by CIA and the spacecraft (and booster) by Air Force.

Both agencies have experienced overruns, although it appears that in recent years CIA has been even more optimistic in predicting system development (and production) costs than the Air Force. A brief summary of some of our worst cases for both agencies is attached. Pure overruns as such have been relatively low. In the last four fiscal years, the NRP has lived within funds [REDACTED] below the President's Budgets for those four years. However, the examples cited do allow comparison between CIA and Air Force (SAFSP) current costs vs. initial estimates.

Based on our experience in the last five years, there are a number of points one can make.

1. Unless we have learned our lesson from the examples cited, actual costs will exceed initial estimates, especially for complex systems for many reasons. The CIA cost growth is likely to exceed AF increases by a factor of 2 to 3.

2. New complex systems will take significantly longer than planned to reach first launch date. [REDACTED] slipped by [REDACTED] and [REDACTED] is [REDACTED]

The most important question of course is whether our government gets the intelligence it needs and whether it is organized so as to take proper advantage of the information it gets. I think we can give ourselves only a barely passing score on collection and a below passing score on using what we know. Our lack of detailed knowledge on the loss of the Pueblo, the location of COSVN, the flow of supplies through Kom Pong Som are a few recent examples of our poor performance.

The second most important question is whether we have good collection techniques and systems (human and technological) organized to do the collection job. I give us a passing score.

The third most important question (from my viewpoint) is whether space-based intelligence systems work. The answer is

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clearly yes, although we obviously don't have a perfect batting average. While we are depressed because of apparent duplication between Air Force and CIA, we would be even more unhappy if it were shown that systems developed by either AF or the Agency did not do what they started out to do. In other words, things could be worse.

The next most important question relates to how efficiently the intelligence community operates. I rate us all barely passing, while I would of course argue that the NRO is doing much better than most other agencies.

NRO should be concerned about increasing overlap of systems developed by Air Force and CIA as all of our space systems become more capable. The ASD(I) should worry about overlap of ground, air and space systems. The creation of an ASD(I) can be of considerable significance, I believe, in managing our resources better as we try to meet our overall intelligence needs. But some help from outside DoD/CIA could be useful in clarifying the roles of the two agencies to avoid both duplication and wasted management energy spent in keeping things going on an ad hoc basis.



John L. McLucas

Attachments:

1. Charter (NRO)
2. Cost Examples

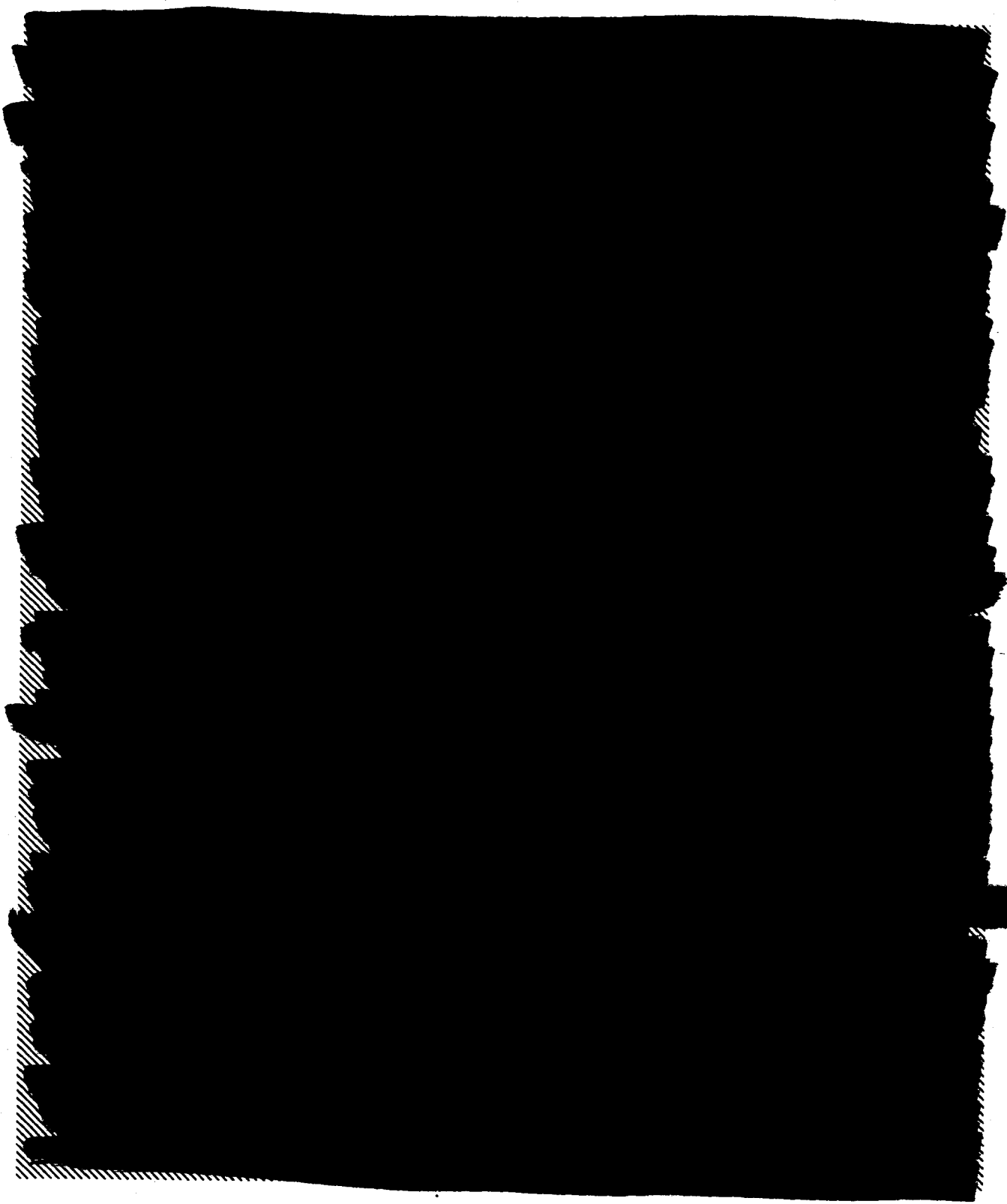
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