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~~1ST~~ NATIONAL RECONNAISSANCE OFFICE
WASHINGTON, D.C.

THE NRO STAFF

March 7, 1969

MEMORANDUM FOR DR. FLAX

SUBJECT: BOB Study, "Defense Intelligence Program Management"

This document arrived in the mail with no covering communication. I called Mr. Sorrels and learned that it was given to Mr. Packard by Dr. James Schlesinger during a recent discussion. Mr. Sorrels has nothing further on this item.

Paul E. Worthman Jr.
PAUL E. WORTHMAN
Colonel, USAF

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R. L. Berg

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DEFENSE INTELLIGENCE PROGRAM
MANAGEMENT

*(This paper written
by Bob)*

The purpose of this paper is to describe the problems of management in the intelligence programs of the Department of Defense; current efforts to improve the system; and possible additional actions which could be taken.

The National Context

Roughly 90 percent of the total resources in the United States intelligence effort are under the direct review and control of the Secretary of Defense and his designated staff officers. This program effort totals [] and is divided into six major entities with 1969 budgets as follows:

FY 1969
(\$ in millions)

1. National Reconnaissance Program (NRP)
Development, production and operation of high performance aircraft and satellite reconnaissance systems
2. Consolidated Cryptologic Program (CCP)
Development, deployment and operation of facilities and forces to collect, process and disseminate information from foreign communications and other electronic signals
3. Consolidated Intelligence Program (CIP)
Development, deployment and operation of most of the intelligence forces of the military services excluding those deployed in organizations at the theater level and below



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4. Manned Orbital Laboratory (MOL)

Development of a very high resolution
manned reconnaissance satellite for
the collection of technical intelligence

5. SR-71 Reconnaissance Aircraft

6. Supporting Research and Development Programs

In addition to these entities "tactical" military intelligence programs to provide direct support to military forces cost about \$1 billion per year.

For all of the above activities, the Secretary of Defense is the focal point of decision-making. In the case of the NRP, the Secretary has "...the ultimate responsibility for the management and operation of the NRO and the NRP; ..." and "...the final power to approve the NRP budget;..." (Agreement for Reorganization of the NRP, August 1965.) In the case of the CCP, "The Secretary of Defense is designated as Executive Agent of the Government for the conduct of COMINT (communications intelligence) and ELINT (electronics intelligence) activities ... and for the maintenance and operation of the National Security Agency." (National Security Council Intelligence Directive No. 6, 1958.) In the case of the CIP and the other miscellaneous activities, the Secretary is the final authority short of the President for the management of the military departments.

Priorities of national intelligence objectives are actually determined more by the hard decisions in the Secretary of Defense's program and budget review processes than by the United

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States Intelligence Board (USIB) which is formally charged with establishing intelligence requirements. This is because the choices of allocating limited resources must be made by the Secretary of Defense but do not have to be addressed by the USIB.

Defense Intelligence Programming Systems

The NRP, CCP and CIP provide the only overall management capability at the Departmental level for Defense intelligence activities and they have made a valuable contribution. The CCP and CIP are subject to a detailed review in the spring and again in the budget review in the fall. The whole NRP budget is reviewed once in the fall by the National Reconnaissance Office staff with informal DDR&E and BOB staff participation and finally, in the budget process by the Executive Committee of the National Reconnaissance Program, made up of the Deputy Secretary of Defense (Chairman) and the Director of Central Intelligence and the President's Science Advisor (voting members). This Committee "advises" the Secretary of Defense and, in affect, makes many of the decisions.

There are major inadequacies with the present DOD review and management operations. They are:

(a) the three program areas are reviewed on what is essentially an independent and compartmentalized basis without systematic comparison;

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(b) the Secretary and the Deputy Secretary of Defense do not have a centralized staff to assist them in making comparisons of competing intelligence objectives and alternative program methods and cross-program review is done on a selective basis by staffs of the Assistant Secretaries of Defense for Administration and Systems Analysis, the Director of Defense Research and Engineering and the Bureau of the Budget. Each of these groups has a different perspective and a different degree of access to information;

(c) the three programs and the other Defense intelligence resources are not classified in a common program structure and, therefore, are not understood in relation to mutual target objectives or, more importantly, in relation to the information needs of major Defense programs (i.e., Strategic Offensive Forces, etc.);

(d) the consolidated program reviews tend to be diffused across many detailed questions with a resulting lack of emphasis on major policy issues;

(e) a substantial portion of defense intelligence resources are not included in any one of the three program reviews (i.e., the MOL, the SR-71, and many military intelligence units at theater level and below);

(f) there is not a clear or close relationship between the so-called "program" review decisions and the budget decisions where the dollar resources are determined.

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More detailed criticisms of the three program review processes and proposed remedial actions are available in a separate paper.

Needed Actions

The question is how to provide the Secretary and Deputy Secretary of Defense with support mechanisms to deal with the highly fragmented and complex defense intelligence programs.

The greatest need is to have a decision-making process in Defense which will integrate the review of all Defense intelligence activities, assets, and objectives (CCP, CIP, NRP and others) in the context of Defense program information needs, USIB guidance and CIA capabilities.

The following steps seem to be the most promising.

1. Establish an Assistant Secretary of Defense for Intelligence (ASD/I). The role of the ASD/I would have to be carefully defined. He should not be in the line of command authority between the operating agencies and the Secretary of Defense, nor should he replace the Director, Defense Intelligence Agency, as the substantive intelligence adviser to the Secretary of Defense. To do so would produce a conflict of interest between what we know and what resources are needed to improve or check that knowledge.
2. A Defense Intelligence Program Staff. The critical ingredient for the success of an ASD/I and for comprehensive

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and integrated decision-making for Defense intelligence resources is the development of a strong, independent analytical staff for intelligence serving the Assistant Secretary of Defense for Intelligence. It could be a small (5 to 10 professionals) staff office reporting directly to the ASD/I. There are this many professionals now working separately within the offices of Systems Analysis, DDR&E and ASD/Administration.

Together, the ASD/I and the staff could provide the following needed functions:

- bring together in a single integrated focus, all of the competing program ideas and resource demands of the SIGINT, photographic and other intelligence programs for the Secretary.
- advise the Secretary of Defense on intelligence priorities and required resources and help him determine the appropriate level of DOD program response to Defense-related information needs and to the United States Intelligence Board requirements and guidance.
- be the Defense Secretary's intermediary with the DCI and his NIRB and NIPE staffs.
- provide an overview and analysis capability with respect to DOD-generated intelligence requirements. The working responsibility for this function could be left with the Director, DIA.

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3. A Consolidated Defense Intelligence Program Review.

The operational direction and control of the SIGINT, overhead, and general Defense intelligence activities should probably continue to be delegated to the NSA, NRO and DIA, respectively. However, in order to overcome the problems noted above, the review of intelligence programs at the level of the Secretary of Defense should be carried out as a single review under the ASD/I, primarily against the criterion of Defense program and foreign policy related information needs and not as aggregations of effort by technique employed. This review should be carried out through the use of a common program structure which is also capable of displaying the CIA programs in a consistent manner for the purpose of subsequent interagency review. This review should be the culmination of reviews by the CIP and CCP Review Groups and the NRP Executive Committee, which should have the primary responsibility in their respective program areas, for conducting the functional reviews under a common structure and instructions. Major questions and choices identified in these reviews should be the main focus of the consolidated review by the Assistant Secretary.

Defense Intelligence Organization

There are two important organizational relationships within the Defense intelligence community which contribute to a diffusion of management authority and make very difficult the effective and efficient allocation of intelligence program resources.

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In the signals intelligence area, the National Security Agency was established in 1952 by the National Security Council as a result of the Brownell Committee report to consolidate management authority for communications intelligence (COMINT). In addition, NSA was given certain management responsibilities over a part of the national electronics intelligence (ELINT) resources in 1958. Since that time, a number of COMINT and ELINT operations and management functions have been undertaken by other organizations. Most notable are:

- (a) extensive ELINT collection and processing conducted by military commands; and
- (b) COMINT and ELINT collection using earth satellites by the National Reconnaissance Office.

Also, the management authority of NSA over the service cryptologic agencies has been limited to technical control or tasking of military service assets and does not extend to effective control of which assets will be deployed to specific areas or theaters. This problem is discussed in greater detail in a separate paper on "Management and Organization of United States SIGINT Programs." However, within the context of Defense intelligence program management, the following three steps should be taken:

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1. The Director, NSA, should prepare a single program and budget for all COMINT and ELINT activities and costs of the Department of Defense including the COMINT and ELINT activities now carried in the National Reconnaissance Program and the Consolidated Intelligence Program. Based upon a review of this program and budget by the CCP Review Group, the major issues and alternatives should be submitted to the Assistant Secretary of Defense in the Consolidated Defense Intelligence Program Review.
2. To further implement the concept of a unified management authority for COMINT and ELINT there should be created immediately an integrated Operational and Planning Staff in NSA composed in part of the operational and planning components and personnel of the three service cryptologic agencies. For operational and planning functions of NSA and the service cryptologic agencies, the integrated staff would be responsible directly to the Director, NSA.
3. Research and development, payload design, and ground collection activities of the SIGINT Satellite Reconnaissance Program should be delegated to the Director, NSA, by the Executive Committee of the National Reconnaissance Program. The Director, NRO, should continue to be responsible for payload integration, launch and on-orbit control of the spacecraft systems of COMINT and ELINT satellites. However, such activities should be planned, developed and implemented by the Director, NSA, after careful comparison with and as necessary supplements to

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or substitutes for other ground, sea and airborne COMINT and ELINT collection operations.

In the Defense general intelligence area, the Defense Intelligence Agency was established by the Secretary of Defense in 1961. Three principal functions were assigned to the agency:

- the production of all DOD finished intelligence;
- the management and control of all DOD intelligence resources assigned to DIA;
- the review and coordination of all intelligence functions retained by the military departments.

In connection with the last two responsibilities, the DIA is charged by DOD Directive 5105.21 with: "Obtaining the maximum economy and efficiency in the allocation and management of DOD intelligence resources." In 1963, the Consolidated Intelligence Program review was established with the Director, DIA, as its chairman, to provide a mechanism for central program review and analysis by DIA and other review elements such as the Office of the Secretary of Defense, the Bureau of the Budget, and the Office of the Director of Central Intelligence.

However, from the beginning, two factors have worked to severely limit the management prerogatives and capabilities of DIA.

- The Director, DIA, was specifically subordinated by the founding directive to the command of the

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Joint Chiefs of Staff whose individual programs he was to analyze and review. (JCS has subsequently directed DIA to assist the Unified and Specified Commands to strengthen their intelligence capabilities.)

- The Director, DIA, now serves as both the chairman of the program review group and as the principal program manager and advocate.

Both of these factors have made it very difficult, if not impossible, for DIA to rigorously review the programs and budgets of the intelligence programs of Defense units and activities. This problem extends to the point of strong resistance on the part of DIA to including important military intelligence activities within those programs to be reviewed.

Two corrective steps should be taken:

1. The DOD Directive (5105.21) should be changed so that the Director, DIA, would report to the Secretary of Defense through the Assistant Secretary of Defense/Intelligence for program and budget review.

2. The Director, DIA, should prepare a single program and budget for all Defense intelligence activities other than COMINT and ELINT activities. Based upon a review of this program and budget by the CIP Review Group, the major issues and alternatives should be submitted to the Assistant Secretary of Defense in the Consolidated Defense Intelligence Program Review.

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Ongoing Improvements

During the past year, a number of special community-wide management efforts have been initiated in the intelligence community. These cut across agency and program lines and point toward an integrated comprehensive program decision process in Defense. However, none of these efforts have been adequate to meet the need. The projects currently in process are:

1. Target Oriented Display of Intelligence Resources which is a tool for classifying the fiscal and manpower resources of the U.S. intelligence programs (including CIA) by target country and for the U.S.S.R. and Communist China by target subject (i.e., type of forces, etc.). It will give trends by fiscal year and will show target distribution of organizational units and activities. It is being developed by a joint DOD/CIA/BOB task force. Based upon the first year's effort the TOD Committee is recommending a further refinement of objective categories for classifying resources from geographic and subject targets to information needs relevant to pending defense program "intelligence missions."

2. The Eaton Panel on U.S. SIGINT Organization and Management. The Director of Central Intelligence has appointed a four-man committee to provide recommendations to the President through the Secretary of State and Secretary of Defense, on U.S. SIGINT organization. The final report states that, "There is a need for a point of central review within the Department

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of Defense where all intelligence programs, including COMINT and ELINT, are looked at as a whole." (italics added)

3. The Photographic Satellite Requirements and Resources Review is a study which has been directed by the Deputy Secretary of Defense. In the internal DOD charter the study has been broadened to include all satellite photography requirements and the value of the "required" information in terms of U.S. force structure and posture.

4. The Anti-Ballistic Missile Target Study is a project begun under the direction of the Director of Central Intelligence in September 1967. In view of the plethora of collection resources being directed against and developed for this target entity, it seemed to be a necessary effort to determine essential elements of information needed on the Soviet ABM force and an inventory of the collection resources being allocated to that target. The study is being conducted cooperatively by OSD and CIA staff elements under the chairmanship of CIA. It should be available within two or three months.

5. The National Intelligence Resources Board (NIRB) was established in May 1968, by the Director of Central Intelligence by agreement with the Secretary of State and the Secretary of Defense. It consists of the Deputy Director of Central Intelligence (Chairman); the Director of the Defense Intelligence Agency; and the Director of Intelligence and Research, Department of State. According to its charter, the board

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"...will develop advice regarding the relative value to the national intelligence effort of projects and activities included in the Consolidated Intelligence Program, Consolidated Cryptologic Program, National Reconnaissance Program and CIA program. Such advice will be intended to assist the DCI in arriving at recommendations as to the most effective allocation of those resources which are applied to or proposed for the fulfillment of national intelligence needs." The basic weakness of this board's structure is that the Defense representative does not have resource or review responsibility for more than one-third of the Defense programs and does not have overall intelligence program management responsibility for the Secretary of Defense. However, it does provide an interagency forum for raising community-wide program evaluation questions as a supplement to the office of the Deputy to the Director of Central Intelligence for National Intelligence Program Evaluation (NIPE). This board has not been in existence long enough to provide a basis for judgment as to its effectiveness.

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