

Recapturing What Made the NRO Great: Updated Observations on "The Decline of the NRO"¹

By Robert Kohler

My article, "The Decline of the National Reconnaissance Office" was published nearly three years ago. A reasonable question is, have my views changed and do I have any additional thoughts to offer in fostering a dialogue on the status of the NRO today? The answer to both is yes.

It is not, in retrospect and after reading Dennis Fitzgerald's thoughtful response, that I reject any of the views from my original article. I suggest in this postscript that some of my views were incomplete and new events have occurred that warrant discussion, particularly in light of the creation of a Director of National Intelligence (DNI) and what that might mean for the CIA and its participation in the NRO.

The NRO, the CIA and the DNI

In the early 60's, the NRO was constituted as a joint venture (JV) between the DoD and the CIA. Director of Central Intelligence (DCI) John McCone fought very hard for this JV (in the face of severe DoD opposition) as he believed that the CIA had something to contribute (remember the CIA did the U-2, the SR-71 and started CORONA before there was an NRO), and felt that the combined talents and resources of the two would be better than any single entity.

The question today is, what does the CIA bring to the table and is it worth CIA's continued participation in the NRO? Certainly in the "old days" (and through the abolition of Program B), the CIA element brought civilian stability, technical expertise,

¹ Editor's Note: This article is an update to Mr. Kohler's "Decline of the National Reconnaissance Office," which first appeared in *Studies In Intelligence*, Vol. 46, No. 2, 2002, pp. 13-20, and which is reprinted in this issue with the permission of CIA's Center for the Studies of Intelligence (CSI). *Studies* is CIA's journal of the American intelligence professional and is a publication of CSI.

an understanding of intelligence community (IC) needs and access to the DCI. The CIA still can bring civilian stability and technical expertise, but they no longer bring an understanding of the future intelligence needs of the CIA or access to the DCI they enjoyed as Program B. It is interesting to note that every program that Program B invented came from our understanding of the needs of the community, and not from some arduous requirements process.

It was also clear to us in Program B that we were there to protect the DCI's interests in the overhead reconnaissance program and to insure that DoD needs and IC needs were balanced. With the creation of the DNI, one now has to ask how the DNI's interests are protected and what is the CIA's role in that regard. It is possible that the Director of the CIA will not have the same view of the NRO, as did the DCI. While it is painful for me to say this, at this stage in the evolution of the NRO, the role of the CIA in the NRO needs to be reevaluated. CIA people should not be relegated to being "bodies" with no real NRO or CIA careers. Another interesting question is, who appoints the DDNRO? The 1962 DoD/CIA Memorandum of Agreement (MOA) gave that job to the DCI (and historically the DDNRO has been a CIA employee). If the DNI now appoints the DDNRO, this person might well not be a CIA employee, further separating the NRO and the CIA.

NRO Management

Management of the NRO is, perhaps, one of the most vexing and important issues today. This is an important issue facing the new DNI. The creation of the Undersecretary of the Air Force (USecAF) as the "white/black" space manager (integrator) sounds good, but was a mistake².

There is no evidence that this experiment has paid off. DCI John McCone realized the danger of this construct when it was proposed that the USecAF be DNRO. In the record of a phone call between DCI McCone and then USecAF Brockway McMillan McCone stated,

I stated if the above procedure was adopted and adhered to, then I thought that the resources in both the CIA and the Air Force could contribute to the success of our reconnaissance program. Any plans which did not utilize the resources of both organizations would not be agreeable to me. I took the occasion to tell Dr. McMillan I remained convinced that he, as Undersecretary, is making a mistake to attempt to run a line organization because of his varied statutory responsibilities from which he cannot escape and for that reason I urged him to consider some different in-house arrangement for directing the NRO.

² President Bush nominated Ronald Sega for the Air Force under secretary position on June 29. At a meeting in early July, the Defense Secretary Donald Rumsfeld, Undersecretary of Defense for Intelligence Stephen Cambone, and Director of National Intelligence John Negroponte jointly decided to separate the positions of DNRO and USecAF, reversing a 2001 management change.

The DNRO is a line management position, which is not the normal job of a service undersecretary. In addition, the NRO is the single largest part of the National Foreign Intelligence Program (NFIP), which further implies that it needs full time management. One cannot envision a company of this size being managed by a part-time CEO.

But the real evidence of the effectiveness of white/black integration should be better program management and the development of an integrated architecture. It is nice that the AF and the NRO have exchanged policies and practices and tried to rationalize all this across the National Security Space business, but the fact is that management of national security space programs is no better today than it was three years ago. In addition, no integrated architecture has been derived or proposed. DCI George Tenet was so frustrated by a lack of an integrated architecture that he created, in 2004, the Constellation Architecture Panel to develop one for the IC.

But in the end, the question becomes, can the NRO effectively be managed by a part-time DNRO? Past DNRO's argue that they did it successfully, so it should work. In the past, the NRO's world was quite different, however, and many would suggest simpler. There was much less visibility, the Program A, B, C structure provided an NRO management structure different (and more accountable) than today's NRO organization, plus the NRO had more end-to-end responsibility. Today, without this end-to-end responsibility, the DNRO needs to spend more time on interactions with the mission partners than the DNRO has the time for in the current construct. Further, management direction to the DNRO is as confusing as any time in its history. The Undersecretary for Defense (Intelligence) (USD(I)), Community Management Staff (CMS), DCIA (now DNI), and Congress all get to influence what the NRO does. This is not right or wrong but it is certainly more complicated than in the Excom days. The result is, however, that it consumes time and energy that past part-time DNRO's mostly did not have to endure. All this simply says that the DNRO's job today is considerably more demanding than in the old days.

Some have suggested that if the DDNRO had more authority, the NRO could be managed in a CEO/COO arrangement and the part time DNRO would work. It is not that this construct is impossible, as it works quite well in industry. However, industry has a model for this and government does not. Whether this construct would work is probably more dependant on the individuals than some model.

Lastly, from the new DNI's perspective the issue is who "owns" the NRO. In the original construct the NRO was a JV and hence owned by the JV partners, the Secretary of Defense (SecDef) and DCI. The NRO even had a board of directors known as the Excom who decided which NRO programs would be funded. Today there is no such neat chain of command. Everybody thinks that they have a say in what the NRO does, with CMS, USD (I) and Congress further confusing the direction to the NRO and further complicating the ability of the DNRO to architect an integrated NRO. In this

confusion, the DoD increasingly thinks (and acts like) it owns the NRO. The arguments that have been advanced by the DoD and its allies on the Hill are that the NRO and National Security Agency (NSA) and National Geospatial-Intelligence Agency (NGA) need to be owned by the DoD as they must be responsive to the military chain of command in supporting the troops. This is emotionally appealing but bogus. NRO systems have never been under the military chain of command, but have always been under the tasking control of the DCI and the mechanisms established by the DCI. In this process, the military has always been well served by the DCI when they needed priority access to these national assets.

The establishment of the NRO JV was recognition that not only the DoD and the CIA needed intelligence from space, but other elements of the USG did as well. Further, it was realized that the USG could not afford to have every department build its own reconnaissance systems; therefore, a national approach was needed. The needs of such an integrated national reconnaissance effort are as important today as anytime in our history. The new DNI needs to insure that the DoD not end up owning the NRO and needs to reestablish a proper balance between the DoD and the IC in forming NRO requirements and priorities. As an aside, it is interesting to note that a recent set of the President's Foreign Intelligence Advisory Board (PFIAB) recommendations to the President on IC acquisition policies recommended the reestablishment of an Excom.

Program Management

In the end the NRO is about managing programs and delivering needed collection capabilities. In the 2002 article, I observed that NRO program managers are no longer "king", that there is too much micromanagement of NRO programs, too much staff interference and that as a result NRO programs are taking significantly longer from inception to delivery. I retract none of these observations, but I overlooked a very important fact. Part of the problem is the unwillingness of the NRO to fund programs adequately. While all new programs of the complexity of the NRO's have development problems causing schedules to slip and costs to grow, the NRO's unwillingness to fund such programs realistically and with adequate margin is a major reason why it takes the NRO so long to deliver needed capabilities. This puts the NRO program managers in the difficult position of having no margin, and hence no flexibility, and having to exist year to year spending their energies on how to manage to an unrealistic budget and not on delivering the capability. The result of all this is that the NRO is delivering capabilities needed by the community now, years late.

The fundamental cause of this is not congressional micromanagement, or inadequate Independent Cost Estimates (ICEs), or even poor program management. It is the inability of the DNRO, and the community, to decide what are the priorities and the inability to kill anything. The result is that instead of doing a few programs well

(including adequate funding), the NRO is trying to do everything and not doing it well. The result of this budgetary madness is that the chief architects of the NRO have become the budget people and the Congressional Committees. *The result is that nobody in the NRO is responsible for the integrity of the architecture in the context of the integrity of the budget.*

Systems vs. Needs

In the old days we focused on what the community needed and then invented programs to satisfy that need. In a very significant way we had to do this as, 1) we had end-to-end responsibility, and 2) we were very much part of the IC and had nearly daily contact with people in the Directorate of Intelligence (DI). Indeed, a significant number of people in the old Office of Development and Engineering (ODE) came from the DI. Without end-to-end responsibility and without the CIA contingent worrying about what the CIA needs from the NRO the focus is now on systems. *The NRO has dramatically changed from being a needs driven organization to an acquisition driven organization.*

The result is that the NRO is driven to sell programs not product. So the discussion becomes, how do we sell this program out of context of what the country needs? It is a fact that we used to worry a lot about what the community needed and then derive a program to solve that need. Today literally nobody is worrying about what kind of imagery is needed for the future. The focus is on selling programs and on convincing the users to support the latest NRO new program. *The NRO was once an intelligence organization at the beginning of the space age; now, it is a space agency in the information age.*

If the NRO is to succeed in this new age, it must be in the business of providing information not data. The creation of information in real time demands that we eliminate the divide between systems that collect IMINT or SIGINT and the systems that change that data into information products.

Final Thoughts

The NRO of the future needs to look and act differently than the NRO of today. The community needs to build on a simple fact. The NRO, in spite of how easy it is to criticize, is still the best acquisition organization in the IC and perhaps the US government as well.

In the old days we were proud of many things: our creativity, the dedication of our people, and our ability to keep our word. Programs were mostly delivered on time and within budget, and performed as promised. This is the hallmark of a well-managed organization—keeping your promises. The NRO is no longer the well-managed organization it once was and as a result it no longer keeps its promises. There are many reasons for this. Some I have mentioned: part-time DNRO, meddling by staffs, inadequate funding of programs, and the unwillingness to decide priorities. Much of this the NRO can fix.

But in the end, the new DNI has to decide what he wants the NRO to be and I suggest a few issues are critical.

1. The NRO needs to recover much of its end-to-end responsibility. This has started on the Signals Intelligence (SIGINT) side and needs to be readdressed in the imagery business. The interface between the NRO and NGA has been cut in the wrong place and needs to be readdressed. The NRO should budget for the end-to-end costs of its programs to preclude the budget discrepancies that exist to this day.
2. The NRO needs a civilian component both to bring stability and experience and to build long-term relationships with its mission partners. NSA and NGA already provide people to the NRO to help in managing NRO programs and to bring their view to that process, but the stability needed in acquisition and community understanding likely comes best from the CIA. The only problem is that CIA doesn't care anymore. The DNI will need to decide, in consultation with the DCIA, how to fix this problem. CIA people deserve to have space program careers for this to work.
3. The NRO needs to return to being an exceptionally well-managed organization that keeps its promises. This means a full time DNRO, it means filling senior positions based on competence and ability, it means adequate funding of programs and it means restoring a better balance between the government program staff and the overwhelming presence of Federally Funded Research and Development Centers (FFRDC) and Systems Engineering and Technical Analysis (SETA) personnel that currently exists in the NRO.
4. The people problems I mentioned in the 2002 article remain. It is amazing how visible these issues are to everybody except those that can actually do something about them.

The NRO is too important to the security of the nation to be left in its current state. As I suggested in the original article the NRO is in decline and the nation cannot afford, nor does it deserve, a mediocre NRO. Many suggestions have been made in numerous reviews of the NRO about what to do and how to "fix" the NRO. In my view, four steps are critical:

1. The NRO needs and deserves a full time Director. The job and the interfaces are too complicated to be managed on a part time basis.
2. All NRO programs must have adequate margin up front. On new NRO programs this should be at least 30-50%. Budgeting programs at the 80% ICE, instead of 50%, could accomplish this.
3. The CIA needs to make a conscious decision on its continued participation in the NRO. Currently, only 25% of the total CIA contingent in the NRO are engineer/scientist/program management personnel. The rest are administrative types. The CIA should not be the administrative arm of what is increasingly becoming a DoD

organization. If the CIA is to continue its presence in the NRO, then the CIA people should be reconsolidated into ODE, and a fulltime ODE director (with no NRO assignment) appointed to manage their careers, their assignments, and the interface with CIA.

4. The size of the NRO staff and its relationship with NRO program managers needs serious review. The NRO now has a staff larger than the number of people actually doing the main business of the NRO, managing programs. No successful company could allow this to happen and remain profitable. A top to bottom review of the staff functions, size, and authority is badly needed.

Certainly all of us "old timers" want the NRO to be like it used to be. But even us "old timers" recognize that the world has changed and that there are influences on the NRO today that we did not have to deal with. Having said that, however, there is no reason why the NRO cannot recapture what made it so good, which was excellence in program management and keeping our promises.

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