

## CHAPTER SIX

# LEADERSHIP AND MANAGEMENT: FORGING AN INTEGRATED INTELLIGENCE COMMUNITY

### Summary & Recommendations

Today's Intelligence Community is not a "community" in any meaningful sense. It is a loose confederation of 15 separate intelligence entities. The new intelligence reform legislation, by creating a Director of National Intelligence (DNI) with substantial new authorities, establishes the basis for the kind of leadership and management necessary to shape a truly integrated Intelligence Community. But the reform act provides merely a framework; the hard work of forging a unified Community lies ahead.

In order to surmount these challenges, the DNI will need to lead the Community; he will need to integrate a diffuse group of intelligence entities by gaining acceptance of common strategic objectives, and by pursuing those objectives with more modern management techniques and governance processes. In this chapter we recommend several structures that could demonstrate the value of such collaboration.

Specifically, we recommend that the DNI:

- Bring a mission focus to the management of Community resources for high-priority intelligence issues by creating several "Mission Managers" on the DNI staff who are responsible for overseeing all aspects of intelligence relating to priority targets;
- Create a leadership structure within the Office of the DNI that manages the intelligence collection process on a Community basis, while maintaining intact existing collection agencies and their respective pockets of expertise;
- Make several changes to the Intelligence Community's personnel policies, including creating a central Intelligence Community human resources authority; developing more comprehensive and creative sets of performance incentives; directing a "joint" personnel rotation system; and establishing a National Intelligence University.

### Summary & Recommendations (Continued)

We also recommend that:

- The President establish a National Counter Proliferation Center (NCPC) that reports to the DNI. The NCPC—a relatively small organization, with approximately 100 staff—would manage and coordinate analysis and collection on nuclear, biological, and chemical weapons across the Intelligence Community, but would not serve as a focal point for government-wide strategic operational planning; and
- The Executive Branch take steps to strengthen its intelligence oversight to ensure that intelligence reform does not falter, and that the Intelligence Community strengthen its own processes for self-evaluation.

## INTRODUCTION

Today’s Intelligence Community is not truly a community at all, but rather a loose confederation of 15 separate entities.<sup>1</sup> These entities too often act independently of each other. While a “community” management staff has long existed in the Office of the Director of Central Intelligence (DCI), it has never had the authority or resources it needed to manage all these disparate components.

The diffuse nature of the Intelligence Community does have important merits—for example, the existence of different agency cultures and ways of doing business increases the likelihood that hypotheses about key intelligence issues will be “competitively” tested, and allows for the development of diverse pockets of expertise. While such advantages should be retained, they aren’t a reason to tolerate the current lack of coordination. As our case studies aptly demonstrate, the old, single-agency methods of gathering intelligence are losing ground to our adversaries. And conversely, many of our recent intelligence successes have resulted from innovative cross-agency efforts—but such laudable examples are the exception, the products of *ad hoc* efforts rather than institutionalized collaboration.

Concern about the harmful impact of disunity on national security was a major factor leading to passage of the *Intelligence Reform and Terrorism Prevention Act of 2004*. In creating a Director of National Intelligence (DNI) with

substantial (though not sweeping) new authorities, the act created the framework for an integrated management structure for the United States' intelligence apparatus. However, passage of the intelligence act is merely prologue; the hard work of forging a genuine Intelligence Community, linked for the purpose of optimizing its capabilities and resources, must now begin.

We are realists. We recognize that effecting such a transformation in intelligence will take years to accomplish—and, indeed, will fall short without sustained leadership from the Director of National Intelligence and continued support from the President and Congress. This chapter offers our view on the essential tasks the new DNI might prioritize—and the challenges he will confront—as he begins this effort. We also offer, at the end of the chapter, a notional organizational structure for the new Office of the DNI, which we believe would serve the DNI well in confronting these tasks and challenges.

## **BUILDING AN INTEGRATED INTELLIGENCE COMMUNITY**

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### **Levers of Authority: Powers and Limitations of the New DNI**

First, the good news. Under prior law, the Director of Central Intelligence had three demanding jobs—he ran the CIA, acted as the President's principal intelligence advisor, and (in theory, at least) managed the Intelligence Community. Thanks to the new intelligence legislation, the new DNI is now only responsible for two; the task of running the day-to-day operations of the CIA will be left to the Agency's own Director.<sup>2</sup>

The bad news is that the DNI's remaining statutory responsibilities continue to be demanding, full-time jobs. The DNI's management responsibilities will be both critically important and exceedingly difficult, and there is a real risk that the obligation to provide current intelligence support to the President and senior policymakers will reduce or eliminate the attention the DNI can devote to the painstaking, long-term work of integrating and managing the Community. It would be unrealistic—and undesirable—to expect the Office of the DNI to neglect or abdicate its responsibility as intelligence advisor to the President. But it is not necessary in all instances for the DNI to be present at the briefings himself. We do believe that it is possible for the DNI to assume what is essentially an oversight rather than a direct role in fulfilling this function, and we suggest that the DNI interpret the obligation in this way.

The DNI's management responsibilities will be more than sufficient to occupy the DNI's time and talents. On the first day in office, the new DNI will not have much of a foundation to build upon. A former senior Defense Department official has described today's Intelligence Community as "not so much poorly managed as unmanaged."<sup>3</sup> After a comprehensive study of the Community, we can't disagree. The DNI will need to create—virtually from scratch—structures, processes, and procedures for managing this notoriously sprawling, complicated, and fragmented bureaucracy. But with this "blank slate" also comes an opportunity. The new Director will be in a position to build a leadership and management staff that is suited to today's intelligence needs, rather than accommodate and modify an inherited administrative structure.

The intelligence reform legislation gives the DNI substantial new levers of authority to perform management responsibilities, but those powers are also limited in important respects. Most of the entities within the Intelligence Community—such as NSA, NGA, and the intelligence component of the FBI—continue to be part of separate executive departments. This means that the DNI will be expected to manage the Intelligence Community, but will not have direct "line" authority over all the agencies and entities he is responsible for coordinating and integrating. NSA, to cite just one example, remains with the Department of Defense, and its employees will therefore continue to be part of the Defense Department's "chain of command."

This means that the DNI will be required to manage the Community more by controlling essential resources than by command. And the new legislation does give the DNI important new budget and personnel authorities. For example, the intelligence reform act grants the DNI a substantially stronger hand in the development and execution of the overall intelligence budget, or National Intelligence Program, than that previously given to the DCI.<sup>4</sup> The leverage that these budget authorities were intended to provide, however, cannot be effectively exercised without an overhaul of the Intelligence Community's notoriously opaque budget process, which obscures how resources are committed to, and spent against, various intelligence programs. The DNI could wield his budgetary authorities with far more effectiveness if he were to build an end-to-end budgetary process that allowed for clarity and accountability—a process similar to the Planning, Programming, and Budgeting System employed by the Department of Defense.

With that said, the DNI's "power of the purse" is far from absolute. Many important intelligence programs are funded in whole or in part from joint military and tactical intelligence budgets that are under the control of the Defense Department.<sup>5</sup> In light of these overlapping responsibilities and competing budgetary authorities, it is imperative that the Office of the DNI and the Department of Defense develop parallel and closely coordinated planning, programming, and budget processes. (Indeed, the relationship between the DNI and the Secretary of Defense is of great importance and will be discussed separately in this chapter.)

Another important (and related) management tool for the DNI is the acquisition process. If the DNI builds and drives a coherent, top-down Intelligence Community acquisition structure, he will have a powerful device for Community management, and will make an important step toward developing the coherent long-term allocation of resources that the Intelligence Community sorely lacks today—particularly with respect to evaluating and acquiring large, technology-driven systems. But, as in other areas, the DNI's role in the acquisition process is not absolute. Under the new intelligence reform act, the Secretary of Defense and the DNI will have joint acquisition authorities in many instances—another factor that weighs in favor of strong Defense Department-Intelligence Community interaction on many fronts.<sup>6</sup>

In addition to these budget and acquisition authorities, the intelligence act also grants the DNI significant personnel powers. The act gives the DNI a substantial staff, and it empowers the DNI to transfer personnel from one element of the Intelligence Community to another for tours of up to two years.<sup>7</sup> These are important new authorities; our terrorism case study sets out the difficulties the Terrorist Threat Integration Center encountered in obtaining adequate personnel support from other agencies. However, like the DNI's budgetary authorities, these powers are not unrestricted; the intelligence reform act states that the procedures governing these personnel transfers must be developed jointly by the DNI and by the affected agencies,<sup>8</sup> which could provide department and agency heads with an opportunity to impede the DNI's initiatives. We suggest that the DNI make the development of these procedures an early priority, to ensure that the required "procedures" become just that—processes for effecting the flexible transfer of personnel and minimizing negative impact on the affected agencies, and not vehicles that provide agencies with a veto over the DNI's personnel authorities.

The intelligence act also expressly directs the DNI to implement management-related reform measures that have long been neglected by Community managers. Among these are specific mandates to develop Community personnel policies; maximize the sharing of information among Community agencies; improve the quality of intelligence analysis; protect the sources and methods used to collect intelligence from disclosure; and improve operational coordination between CIA and the Department of Defense. This explicit congressional direction should significantly strengthen the DNI's hand as the work of creating a new management structure begins.

The DNI will likely need every bit of the leverage bestowed by these new powers and embodied in the statutory mandate for change. Few of the recommendations that follow can be implemented without affecting the current responsibilities of a particular agency, sometimes in ways that can be expected to leave the affected agency unhappy. For instance, if the DNI is going to manage the target development system—the process by which the Intelligence Community prioritizes information needs and develops collection strategies to fulfill those needs—he will, by necessity, be taking responsibilities away from the collection agencies. If the DNI is going to build a modern information sharing infrastructure for the Intelligence Community, he will need to override particular agencies' views about what information is and is not too sensitive to be placed in the shared information space.

Making hard decisions that adversely affect particular agencies will constitute a major departure from prior Community management practices. Former DCIs have brought the Intelligence Community together by consensus, a practice that left many difficult but important management challenges unaddressed. Indeed, over the course of our study we repeatedly came across important decisions that Community leaders were unable to resolve—a state of affairs that allows bureaucratic disputes and unhealthy ambiguities in responsibilities to fester. (The lengthy turf battle between the CIA Counterterrorist Center and the Terrorist Threat Integration Center (now NCTC), which we discussed in Chapter Four (Terrorism), is just one example.)

While the air is thick with talk of the need for coordination within the Intelligence Community, one can expect that the DNI's new (and sometimes ambiguous) authorities will be challenged in ways both open and subtle. In order to sustain successful integration, the DNI will need to establish processes that demonstrate by their own effectiveness the value of Community-

wide cooperation. This can be achieved by securing “buy-in” on common strategic objectives, developing common practices in reviewing progress toward goals (using shared metrics whenever possible), and building a common approach to human resource management. We recommend several structures—such as the “Mission Managers” that we discuss immediately below—that could be useful in demonstrating the value of collaboration, and we also encourage the DNI to seek to emulate best practices used by large organizations both within and outside government.

### Organize Around Missions

Throughout our study, we observed a lack of Community focus on intelligence missions. Each individual agency tries to allocate its scarce resources in a way that seems sensible to that particular agency, but might not be optimal if viewed from a Community perspective. The DCI’s management staff is organized around intelligence functions—there are, for instance, separate Assistant DCIs for “Collection” and “Analysis”—rather than around priority intelligence targets. So while it might have been the case that an individual at the DCI level was responsible for knowing about our collection capabilities on a given country, and while it might also have been the case that an individual at the DCI level was responsible for knowing the state of *analysis* on that country, no one person or office at the DCI level was responsible for the *intelligence mission* concerning that country as a whole.

We believe it is important that the DNI develop a management structure and processes that ensure a strategic, Community focus on priority intelligence missions. The specific device we propose is the creation of “Mission Managers.”

#### Recommendation 1

We recommend that the DNI bring a mission focus to the management of Community resources for high-priority intelligence issues by creating a group of “Mission Managers” on the DNI staff, responsible for all aspects of the intelligence process relating to those issues.

Under the current system, collectors, analysts, and supervisors throughout the Community working on a given target function largely autonomously, communicating and collaborating only episodically. The Mission Managers we propose would be responsible for designing and implementing a coordinated

effort. As the DNI's point person for individual high-priority subject matter areas, Mission Managers would be responsible for knowing both what the Community knows (and what it does not know) about a particular target, and for developing strategies to optimize the Community's capabilities against that particular target. For any such target—be it a country like China, a non-state actor like al-Qa'ida, or a subject like “proliferation”—a Mission Manager would be charged with organizing and monitoring the Community's efforts, and serving as the DNI's principal advisor on the subject. Most importantly, and in contrast to the diffusion of responsibility that characterizes the current system, the Mission Manager would be the person *responsible* for Community efforts against the target. There would never be a question of accountability.

The Mission Manager, therefore, would have substantial responsibilities both for driving collection and identifying shortcomings in analysis in the Mission Manager's subject area. With respect to collection, Mission Managers would chair Target Development Boards, described further below and in Chapter Seven (Collection). In this capacity, the Mission Managers' role would include identifying collection gaps, working with the various collection agencies to fill them, and monitoring the collection organizations' progress in that regard. As explained in greater detail in Chapter Eight (Analysis), they would also serve as the DNI's primary tool for focusing the Intelligence Community's analytical attention on strategic threats to national security and optimizing the Community's resources against them. While they would not directly command the analytical cadre, they could—in cases where agency heads were resistant to properly aligning resources or addressing analytic needs—recommend that the DNI's personnel powers be invoked to correct the situation or quickly re-configure the Community to respond to a crisis. Because of their responsibilities for developing a coordinated approach to collection and analytic efforts, we believe that the Mission Managers would also collectively serve as an important device for achieving Community integration over time.<sup>9</sup>

Some might suggest that the Mission Manager function will conflict with the role of National Intelligence Officers (NIOs) within the National Intelligence Council (NIC), the Community's focal point for long-term, interagency analysis. The NIOs are granted authority under the new legislation for “evaluating community-wide collection and production of intelligence by the Intelligence Community and the requirements and resources of such collection and production.”<sup>10</sup> We believe this role is complementary with that of the Mission

Managers. NIOs, in our view, should continue to serve as the Community's principal senior analysts. In this position, they spearhead assembly of National Intelligence Estimates and other publications that articulate Community analytic conclusions, identify differences in agency views and why they exist, and explore gaps and weaknesses in collection. But once an Estimate on a given topic is finished, NIOs move quickly to the next, perhaps not to officially revisit the subject matter for years. They have neither the time nor the authority to craft and implement strategic plans designed to improve the Community's work on a particular issue over time. This, as we see it, will be the Mission Managers' role.

### Coordinate Target Development

#### Recommendation 2

We recommend that the DNI create a management structure that effectively coordinates Community target development. This new target development process would be supported by an integrated, end-to-end "collection enterprise."

The Intelligence Community's fragmented nature is perhaps best exemplified by the process in which its resources are directed to collect information on subjects of interest. One would expect that this vital aspect of intelligence—which we refer to as "target development"—would be among those where coordination and integration is most essential. Instead, the target development process is left primarily to individual collection agencies, operating from a general list of intelligence objectives called the National Intelligence Priorities Framework, in combination with *ad hoc* requirements generated by analysts and other intelligence "customers," such as policymakers and the military. This decentralized process is refined only episodically at the Community level, usually through the personal intervention of the Assistant Director of Central Intelligence for Collection.

This is an unacceptable status quo, and we recommend that the DNI make fixing it a top priority. As our case studies have shown, many of the recent penetrations of hard targets have been facilitated by fusing collection disciplines. Such cross-agency collection strategies cannot be systematically encouraged while the various collection platforms remain isolated within the confines of their individual agencies. The current system, in which individual agencies set

their own collection priorities, also marginalizes the role of the intelligence “customers” and analysts for whom intelligence is collected.

As a result, we believe it is essential that the DNI develop a unified target development process that exists “above the stovepipes.” We develop more fully our target development recommendations in Chapter Seven (Collection), but because of the importance of this issue we highlight it here. We would give the Mission Managers responsibility for driving and maintaining an overarching collection strategy in their subject matter areas. In developing this strategy, each Mission Manager would chair, and be supported by, a standing DNI-level Target Development Board that would include experts from key “customers” and from each major collection agency, who could keep the Mission Manager informed of its agency’s capabilities (and limitations) against the target. This approach would ensure that the target development process was both integrated and user-driven.

We also recommend that the target development process be supported by an integrated “collection enterprise”: that is, a collection process that is coordinated and integrated at all stages, from collection management to data exploitation to strategic investment. Again, we discuss this recommendation in detail in Chapter Seven (Collection).

### Facilitate Information Sharing

#### Recommendation 3

We recommend that the new DNI overhaul the Community’s information management system to facilitate real and effective information sharing.

No shortcoming of the Intelligence Community has received more attention since the September 11 attacks than the failure to share information. There have been literally dozens of Intelligence Community initiatives in this area, with advances most apparent in the area of counterterrorism. Unfortunately, almost all of these efforts have worked around the most intractable and difficult information-sharing impediments, rather than solved them. While minor advances have been made in some areas, the ultimate objective of developing a Community-wide space for sharing intelligence information has proven elusive. In our view, the fundamental reason for the lack of suc-

cess is the absence of empowered, coherent, and determined Community leadership and management.

We strongly recommend that the new DNI tackle this problem early on by overhauling the Community's information management system, including as a central component the creation of a single office responsible both for information management and information security. We also suggest that the DNI begin with a painless, but symbolically important, first step: namely, to jettison the very phrase "information sharing." To say that we must encourage agencies to "share" information implies that they have some ownership stake in it—an implication based on a fundamental (and, unfortunately, all too common) misunderstanding of individual collection agencies' obligations to the Intelligence Community, and to the government more broadly. We believe that the DNI might begin the process of building a shared information space by putting the DNI's imprimatur on a new phrase, perhaps "information access," that indicates that information within the Community is a Community asset—not the property of a particular agency. Our information sharing recommendations, which we detail in Chapter Nine (Information Sharing), begin from this premise.

### Create Real "Jointness" and Build a Modern Workforce

#### Recommendation 4

We recommend that the DNI use his human resources authorities to: establish a central human resources authority for the Intelligence Community; create a uniform system for performance evaluations and compensation; develop a more comprehensive and creative set of performance incentives; direct a "joint" personnel rotation system; and establish a National Intelligence University.

Perhaps the most effective authorities the intelligence reform act grants the DNI are those pertaining to personnel. These new authorities come none too soon, as it is becoming increasingly apparent that the Intelligence Community cannot continue to manage its personnel system the way it always has. The Community still attracts large numbers of highly qualified people, but retaining them has become a real challenge. Today's most talented young people change jobs and careers frequently, are famously impatient with bureaucratic and inflexible work environments, and can often earn far more outside the government. The Community's personnel system is ill-suited to hire and

retain people with these characteristics; merely getting hired can take over a year, and compensation is too often tied to time-in-grade, rather than demonstrated achievement.

Moreover, at precisely the moment when the Intelligence Community is facing the prospect of recruiting in this very different job market, the average experience level of the people in many elements of the Intelligence Community is declining. It is uncertain whether this is merely a transitory phenomenon, reflecting an ambitious post-9/11 hiring program. The analytical cadre may grow in experience and stabilize over the next few years. In the short term, however, it is clear that the Intelligence Community suffers from an eroding base of institutional wisdom, not to mention a lack of accumulated knowledge and expertise.

These overarching employment trends are, unfortunately, only the tip of the iceberg. Today's Intelligence Community has additional systemic weaknesses with regard to personnel. For example, the Community has had difficulty recruiting individuals with certain critical skill sets; has often failed to encourage the type of "joint" personnel assignments that are necessary to breaking down cultural barriers that exist among agencies; and has proven insufficiently adept at hiring and mainstreaming mid-career "lateral" hires from outside of the Intelligence Community. This section suggests reforms of the human resources system that would help equip the Community to confront these formidable challenges.

***Establish a central Human Resources Authority for the Intelligence Community.*** As a threshold matter, the Intelligence Community needs a DNI-level office responsible for analyzing the workforce, developing strategies to ensure that priority intelligence missions are adequately resourced, and creating Community human resources standards and policies to accomplish these objectives. The human resources authority would also establish evaluation standards and metrics programs to assess the intelligence agencies' performance in hiring, retention, and career development.

This office would also have responsibility for developing policies to fill gaps in the Intelligence Community's workforce. Our case studies have highlighted a wide variety of these critical personnel needs. We have found that the Community has difficulty in attracting and retaining people with scientific and technical skills, diverse ethnic and religious backgrounds, management experience,

and advanced language capabilities. Similarly, the Community has struggled to develop the mid-career lateral hires that will be increasingly necessary to complement a workforce that can no longer expect to depend on Intelligence Community “lifers.” This authority would have responsibility for developing the Community personnel policies that can overcome these systemic shortcomings.

***Direct a personnel rotation system that develops “joint” professionals in the senior ranks of the Intelligence Community.*** Much has been made of the need to develop “jointness” in the Intelligence Community. Study after study has cited the significance of the Goldwater-Nichols Act in transforming the U.S. military from four independent services to a single, unified fighting force.<sup>11</sup> The Goldwater-Nichols analogy does not apply perfectly to the Intelligence Community; as we discuss below, we do not believe that the Intelligence Community should be reorganized comprehensively around national intelligence “centers” that would serve as the equivalent to the military’s joint commands. But we do believe that the personnel reforms of the Goldwater-Nichols Act, which encouraged (and in some instances required) individuals to serve “joint” tours of duty outside of their home services, should be replicated within the Intelligence Community.

We recommend, therefore, that the DNI promptly develop mechanisms to ensure that joint assignments are taken seriously within the Intelligence Community. Today, the Community’s agencies vary substantially in the seriousness of their commitment to cross- and interagency assignments. It is insufficient merely to ensure that an Intelligence Community professional who works in an Intelligence Community center or at a different intelligence agency will suffer no punishment upon returning home. Instead, personnel should be affirmatively rewarded for successfully completing joint tours, and intelligence professionals should gain eligibility for promotion to senior levels only if they complete joint assignments. Jointness did not occur effortlessly in the Department of Defense. The DNI will likely find that fostering a truly “joint” culture in the Intelligence Community will require significant and persistent attention.

***Create more uniform performance evaluation and compensation systems.*** Personnel systems across the Intelligence Community are in flux, with some agencies moving to new merit-based pay systems and others retaining but modifying the traditional federal General Schedule (GS) system. These differences

have the effect of inhibiting the cross-agency movement of personnel that is so critical to building an integrated Intelligence Community. To avoid this problem, we recommend that the Intelligence Community's human resources authority adopt a common personnel performance evaluation and compensation plan. This plan would define core Community competencies and set evaluation criteria (for the entire workforce as well as for key segments, such as analysts), and establish a standard pay grade and compensation structure—while retaining the flexibility to allow agencies to evaluate performance factors unique to their organizations. We further recommend that such a unified compensation structure be based on a merit-based model. A merit-based approach is being used increasingly across the federal workforce, and more rationally links performance to organizational goals and strategies.

We also believe that this review of the compensation structure should focus in particular on ways for the Intelligence Community to recruit talented individuals from *outside* the government. Today, the Intelligence Community can promise the following to talented scientists, scholars, or businesspersons who wish to serve: a lengthy clearance process before they begin, a large pay and benefits cut, a work environment that has difficulty understanding or using the talents of outsiders, and ethics rules that significantly handcuff them from using their expertise when they seek to return to their chosen professions. It should come as little surprise that too few talented people from the private sector take the offer. The DNI should develop special hiring rules aimed at attracting such individuals, including special salary levels and benefits packages and streamlined clearance processes.

***Develop a stronger incentive structure within the Intelligence Community.***

In addition to encouraging greater use of financial incentives, we recommend that the Community consider new techniques to motivate positive performance. A real “Intelligence Community” would reward and encourage types of behaviors that currently are not emphasized. These behaviors—a commitment to sharing information, a willingness to take risk, enthusiasm for collaborating with intelligence professionals at other agencies, and a sense of loyalty to the Intelligence Community's missions—must be reinforced if they are to become institutionalized. Government entities are severely limited in the monetary rewards they can offer to reinforce desired behavior, but there are other rewards that can serve as suitable alternatives. Advanced education and training, professional familiarization tours, coveted assignments, and

opportunities to attend conferences and symposia are all rewards that might be associated with reinforcing new behaviors.

But it is not enough merely to encourage the right kinds of behavior; it is also critical that the Intelligence Community does not reward its employees for the wrong reasons. Our review found that agencies within the Intelligence Community often made personnel decisions based upon the wrong criteria. For instance, as discussed in our Iraq case study, agencies that collect human intelligence place considerable value on the number of sources they recruit—an incentive system that of course encourages its employees to recruit easier, less important sources rather than taking the time (and the risk) to develop the harder ones. A similar problem exists in the analytical community, where we were told that analysts are disproportionately rewarded for producing “current intelligence” assessments, such as articles that appear in the President’s Daily Brief. If we are to expect our human intelligence collectors to take risks and our intelligence analysts to devote time to long-term, strategic thinking, agencies must have a personnel evaluation system that does not punish them for these behaviors.

***Establish a National Intelligence University.*** The Intelligence Community has a number of well-founded and successful training programs. Individual organizations within the Community conduct various discipline-specific training programs.<sup>12</sup> Yet there is no initial training provided to all incoming Intelligence Community personnel that instills a sense of community and shared mission—as occurs, for example, in all of the military services. Nor is there an adequate management training program<sup>13</sup>—a fact that may have contributed to declining numbers in the Intelligence Community’s mid-level management corps, and the low performance evaluations that this corps recently received in one major intelligence agency.

A National Intelligence University (NIU) could fill these gaps by providing Community training and education programs, setting curriculum standards, and facilitating the sharing of the Community’s training resources. A progressive and structured curriculum—from entry level job-skills training to advanced education—could link to career-advancement standards for various Intelligence Community occupations and permit intelligence professionals to build skills methodically as they advance in their responsibilities. The NIU could also serve as a research center for innovative intelligence tools and a test bed for their implementation across the Intelligence Community. The

development of such a university—which could be built easily and at modest expense on top of existing Intelligence Community training infrastructure—would be a relatively easy and cost-effective way to develop improved Community integration and professionalism.

## Develop New Mechanisms for Spurring Innovation

### Recommendation 5

We recommend that the DNI take an active role in equipping the Intelligence Community to develop new technologies.

While human intelligence has always been the most romanticized of the collection disciplines, technology has driven the course of intelligence over the past century. Advanced technology and its creative application remain a comparative advantage for the United States, but we fear that the Intelligence Community is not adequately leveraging this advantage. Elements of the Intelligence Community continue to perform remarkable technical feats, but across many dimensions, Intelligence Community technology is no longer on the cutting edge. And this problem affects not only intelligence collection; we also lag in the use of technologies to support analysis. This trend may result from a recent decline in the Intelligence Community's commitment to scientific and technological research and development.

We advise the DNI to take an active role in reversing this trend. To be sure, individual agencies will continue to develop new technologies that will serve their missions. But we recommend that the DNI encourage a parallel commitment to early-stage research and development to ensure that important new technologies that might be neglected by individual collection agencies are explored. Toward this end, we recommend that the Office of the DNI have its own significant pool of research and development money at its disposal.

It is not enough, moreover, merely to develop new technologies; it is also critical to ensure that there are effective processes in place to make sure those new technologies are actually put into practice. Like many large organizations, the Intelligence Community has had difficulty “mainstreaming” new technologies (which are often developed by outside organizations like In-Q-Tel, a private, non-profit entity that identifies and invests in new technologies for the CIA). It also often fails to build programmed funding transitions from

research and development to deployment. In order to ensure that new technologies actually reach the users who need them, we recommend that the DNI require the larger agencies within the Intelligence Community to establish mechanisms for integrating new technologies, and develop metrics for evaluating each agency's performance in this regard.

In Chapter Seven (Collection), we recommend DNI-level management practices that would encourage the development of new technical collection technologies. But there is more to the problem than that. Research and development leaders within the Intelligence Community have told us that they cannot attract or retain the best and the brightest young scientists and engineers because career paths are unattractive, the Community's research infrastructure is poor, and the environment is too risk averse. We have seen similar shortfalls in technical and scientific expertise among the analytic corps and within the cadre of human intelligence collectors. As has been noted above, we advise the DNI to utilize personnel authorities to ensure that scientific and technical career tracks are adequately developed and rewarded by intelligence agencies.

## A DIFFERENT KIND OF "CENTER": DEVELOPING THE NATIONAL COUNTER PROLIFERATION CENTER

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### Recommendation 6

We recommend that the President establish a National Counter Proliferation Center (NCPC) that is relatively small (*i.e.*, fewer than 100 people) and that manages and coordinates analysis and collection on nuclear, biological, and chemical weapons across the Intelligence Community. Although government-wide "strategic operational planning" is clearly required to confront proliferation threats, we advise that such planning *not* be directed by the NCPC.

In the preceding section we recommended that the new Director of National Intelligence take several steps aimed at forging a better integrated Intelligence Community. In this section we address whether this objective could be further advanced through the creation of a National Counter Proliferation Center (NCPC). The recent intelligence reform legislation envisions the creation of an NCPC modeled on the newly-created National Counterterrorism Center

(NCTC).<sup>14</sup> But the act also gives the President the opportunity to decide not to create the center—or to modify certain characteristics—if the President believes that doing so serves the nation’s security.<sup>15</sup>

Although we endorse the idea of creating an NCPC, we believe it should look very different from the NCTC. The distinguishing feature of the NCTC is its hybrid character: the NCTC serves simultaneously as an integrated center for counterterrorism intelligence *analysis* and as a driver and coordinator of national interagency counterterrorism *policy* (the new intelligence legislation describes this latter responsibility, in rather confusing fashion, as “strategic operational planning”). As a result of these two roles, the Director of the NCTC has a dual-reporting relationship; he reports to the DNI on terrorism intelligence matters, and reports to the President when wearing his policy coordination hat. While we understand the motivations that may have led to these overlapping intelligence and policy functions in the counterterrorism area, we doubt that it is a good idea to replicate the model—and the mixed reporting relationships it creates—in other substantive areas.

We are also skeptical more generally about the increasingly popular idea of creating a network of “centers” organized around priority national intelligence problems. While we sympathize with the desire for better coordination that animates these proposals, centers also impose costs that often go unappreciated. As our Iraq case study aptly illustrates, centers run the risk of crowding out competitive analysis, creating new substantive “stovepipes” organized around issues, engendering turf wars over where a given center’s mission begins and ends, and creating deeply rooted bureaucracies built around what may be temporary intelligence priorities. In most instances we believe that there are more flexible institutional solutions than centers, such as the national Mission Managers we propose.

So, while we recommend the creation of a National Counter Proliferation Center, the center we envision would differ substantially from both the NCTC and from the large analytical centers that some have suggested might serve as organizing units for the Intelligence Community. The NCPC we propose would serve as the DNI’s Mission Manager on counterproliferation issues: it would not conduct analysis itself, but would instead be responsible for *coordinating* analysis and collection on nuclear, biological, and chemical weapons<sup>16</sup> across the Intelligence Community. As such, it would be much smaller than the NCTC (it would likely require a staff of no more than 100 people) and

would not perform a policy planning function. Specifically, the Director of the NCPC would:

***Develop strategies for collecting intelligence on the proliferation of nuclear, biological, and chemical weapons (and their delivery vehicles).*** The Director of the NCPC would manage the target-development process for nuclear, biological, and chemical weapons. Like any Mission Manager, the NCPC would develop multi-disciplinary collection strategies to attack hard targets, and would review the performance of collection agencies in gaining access to these targets. Similarly, it would have full visibility into all compartmented intelligence programs, thus ensuring that relevant capabilities are fully employed by collectors and considered by analysts.

***Coordinate, oversee, and evaluate analytic production.*** As already noted—and in contrast to the National Counterterrorism Center—the NCPC would *not* contain a large staff of analysts working on proliferation. Rather, the NCPC would coordinate decentralized analytic efforts occurring at various agencies. This would increase the likelihood of competitive analysis of proliferation issues across the Community. In some cases, the NCPC might determine that no part of the Community is addressing a proliferation-related issue sufficiently and designate a small group of resident NCPC analysts drawn from throughout the Community to work on the issue.

With these analytic oversight responsibilities, the NCPC will fulfill several critical functions, including ensuring that appropriate technical expertise is focused on state weapons programs; that gaps in the Community's knowledge about the relationship between state actors and non-state threats (*e.g.*, black- and gray-market proliferators such as A.Q. Khan) are addressed; and that the NCTC has access to subject matter expertise on nuclear, biological, and chemical questions. We do not believe that the NCPC should take the lead on the crucial question of the terrorist procurement of unconventional weapons. That responsibility should, in our view, fall to the NCTC. But the Director of the NCPC should support the NCTC and be prepared to step in and appeal to the DNI if this crucial area is receiving insufficient resources and attention.

***Participate in setting the budget associated with nuclear, biological, and chemical weapons.*** As the 9/11 Commission correctly noted, true management authority also must include some budget authority.<sup>17</sup> In line with this observation, the NCPC would make recommendations regarding counterpro-

liferation-related budget submissions for National Intelligence Program funds. The NCPC would also support the DNI in fulfilling his statutory responsibilities to “participate” in the development of counterproliferation-related program funds in other military intelligence budgets.

***Support the needs of a Counterproliferation Joint Interagency Task Force, the National Security Council, and other relevant consumers as the Intelligence Community’s leader for interdiction-related issues.*** Counterproliferation interdiction, in a variety of forms, will remain an important part of combating the spread of nuclear, biological, and chemical weapons. The NCPC would play a vital intelligence support role both in helping to formulate U.S. interdiction strategies and in assisting in individual interdiction operations. The NCPC would also support strategic planning for interdiction efforts pursued by other government entities, including the Departments of Defense, State, Homeland Security, Commerce, and Treasury. Developing plans for and executing interdiction operations using the full capabilities of interagency, private sector, and international partners is a role appropriately played by a new Counterproliferation Joint Interagency Task Force, which we propose in Chapter Thirteen (Proliferation).

As noted above, we do not believe that, in addition to these important responsibilities, the NCPC should also be the focal point for strategic *policy* planning on countering nuclear, biological, and chemical proliferation. The Intelligence Community will inevitably be a major force in any interagency strategic planning process, but we believe it is inadvisable to “double-hat” another intelligence component with what is fundamentally a policy role, or to bifurcate the command structure overseeing it.<sup>18</sup>

Nevertheless, it is self-evident that *someone* should be performing strategic interagency planning on counterproliferation issues. As we will discuss in detail in Chapter Thirteen (Proliferation), the task of collecting intelligence on biological weapons and other proliferation threats is notoriously difficult; and we cannot reasonably expect intelligence alone will keep us safe. A successful counterproliferation effort will require a coordinated effort across the entire U.S. government, from the Intelligence Community to the Department of Defense to the Department of Commerce to the other agencies involved in this important work. In our more comprehensive later treatment of the counterproliferation challenge, we offer several recommendations on how to build

such a sustained interagency coordination process, including the creation of a joint task force for counterproliferation.

## POTENTIAL PITFALLS ON THE PATH TO INTEGRATION

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Our recommendations to this point have involved management strategies and organizational structures that could support the DNI's effort to forge an integrated Intelligence Community. In this section, we briefly identify two formidable challenges that may stand in the way of this objective. They both involve potentially problematic *relationships* for the Intelligence Community's leadership: namely, with the FBI and the Department of Defense.

### Working with the FBI: Integrating Intelligence at Home and Abroad

Former Director of Central Intelligence James Woolsey told us that one of the most critical jobs of the new DNI will be to fuse the domestic and foreign intelligence enterprises.<sup>19</sup> This objective can only be achieved if the capabilities of agencies with intelligence responsibilities in the United States, like the FBI, are both strengthened and integrated with the efforts of other intelligence agencies. The FBI has made some significant strides in creating an effective intelligence capability, and we make substantial recommendations in Chapter Ten (Intelligence at Home) that we believe would further strengthen those capabilities.

There may, however, be speed bumps ahead for the DNI in ensuring that the FBI's intelligence resources are managed in the same manner as those within other Intelligence Community agencies. As we explain in detail in Chapter Ten (Intelligence at Home), the intelligence reform legislation is ambiguous in the extent to which it brings the FBI's analytical and operational assets into the Intelligence Community and under the DNI's leadership. We advise that this ambiguity be quickly resolved and suggest ways of making the DNI's authority over the FBI comparable to that of other intelligence agencies such as NSA and NGA—subject to, of course, the ongoing involvement of the Attorney General in ensuring the Bureau's compliance with laws designed to protect privacy and civil liberties.

## Working with the Defense Department: Coordinating the National Intelligence Program with the Secretary of Defense

The most controversial sections of the intelligence reform act were those relating to the relationship between the DNI and the Secretary of Defense. This is not at all surprising, given the vital importance of effective intelligence support to military operations and the fact that many of the largest components of the Intelligence Community reside in the Department of Defense. These realities create an inherent challenge for any DNI seeking to bring order and coherent management to the Intelligence Community.

Recent events have highlighted the magnitude of this challenge. Over the past few months the Department of Defense has taken several steps to bolster its own internal intelligence capabilities. These have included initiatives to remodel defense intelligence that may enable Combatant Commanders to task and control national collection assets directly;<sup>20</sup> establishing the U.S. Strategic Command (STRATCOM) as the Global Intelligence, Surveillance, and Reconnaissance (ISR) manager for the Defense Department;<sup>21</sup> assigning the DIA as the key intelligence organization to support STRATCOM's ISR mission;<sup>22</sup> and building up the Defense Department's human intelligence capabilities to make the Defense Department less reliant on the CIA's espionage operations.<sup>23</sup>

We believe that several of these Defense Department initiatives are good ones, and should be supported. However, in all instances, we think these efforts need to be closely coordinated with the DNI—and in some cases we believe steps should be taken to ensure that the Defense Department's intelligence efforts do not undermine the new DNI's ability to manage the Intelligence Community. We identify four important issues pertaining to this relationship here: the need to balance support to military operations with other intelligence requirements; the importance of ensuring that the DNI maintains collection authority over national intelligence collection assets; the need to manage Intelligence Community agencies that reside in the Department of Defense; and the importance of coordinating Defense Department and CIA human intelligence operations.

***Balancing support to military operations with other intelligence needs.*** Balancing the high priority, and often competing, demands on the U.S. Intelligence Community resources will be a significant challenge. The DNI will

need to develop processes for serving the military's requirements while preserving the ability to fulfill other national needs. Toward this end, we recommend the creation of a high level position within the Office of the DNI dedicated to military support. This individual would function as the principal military intelligence advisor to the DNI, serve as the Mission Manager for military support issues, and advise the DNI on issues of Defense Department-Intelligence Community coordination.

***Ensuring that the DNI maintains authority over the tasking of national intelligence collection assets.*** If the Director of National Intelligence is to have any ability to build an integrated Intelligence Community, the DNI must be able effectively to manage national intelligence collection capabilities. To achieve this goal, we believe the Defense Department's requirements for national collection assets should be funneled through, not around, the DNI's integrated collection enterprise, outlined in Chapter Seven (Collection). In this process, the Defense Department's requirements for national intelligence collection in support of military operations will be represented by the DNI's principal military advisor. This individual will work closely with STRATCOM and the Combatant Commanders to ensure their needs for national intelligence support are met, and will lead the Target Development Board responsible for creating integrated collection strategies in response to U.S. military requirements. This process maintains the DNI's authority to manage national intelligence collection assets and increases the DNI's ability to effectively meet both the military's requirements and other national intelligence needs.

***Developing clear procedures for the management of Defense Department agencies within the Intelligence Community.*** Many of the Intelligence Community's largest agencies reside within the Department of Defense. The new intelligence legislation's push towards unified intelligence management will further complicate the lives of the heads of these agencies, who will be uncertain whether they should answer to the Secretary of Defense or to the DNI. While some ambiguity is inevitable, there are certain steps that the DNI and the Secretary of Defense could take to add clarity in this area, including developing a joint charter that specifies each agency's reporting chain and operating authorities, and combining and coordinating management evaluations and audits to avoid needless and unproductive duplication of management oversight activities.

It is also critical that the DNI and the Secretary of Defense establish effective and coordinated protocols for exercising their acquisition authorities. As we have noted, the new legislation requires the DNI to share Milestone Decision Authority with the Secretary of Defense on all “Department of Defense programs” in the national intelligence budget. This important provision is also among the statute’s more ambiguous ones, as the term “Department of Defense program” is undefined. As the success of these shared acquisition authorities is crucial to the fielding of future capabilities, we believe that the President should require the Secretary of Defense and the DNI to submit, within 90 days of the DNI’s confirmation, their procedures for exercising shared Milestone Decision Authority, and a list of those acquisition programs they deem to be “Defense Department programs” under the legislation.

***Coordinating Special Operations Command and CIA activities.*** The war on terrorism, and U.S. Special Operations Command’s expanded role as the Defense Department’s operational lead, have dramatically increased military intelligence interactions around the world. While the Defense Department has an organic human intelligence capability, the Department must closely coordinate its operations with the DNI to ensure deconfliction of operations and unity of purpose. We offer recommendations to address these coordination issues in our detailed discussion of human intelligence reform needs (Chapter 7, Collection). Here we recommend that the DNI and the Secretary of Defense, as part of their obligation to report to Congress within 180 days on joint procedures for operational coordination between the Defense Department and CIA,<sup>24</sup> address this specific issue of deconfliction with U.S. Special Operations Command.

**Another Potential Pitfall: Legal Myths in the Intelligence Community**

Throughout our work we came across Intelligence Community leaders, operators, and analysts who claimed that they couldn't do their jobs because of a "legal issue." These "legal issues" arose in a variety of contexts, ranging from the Intelligence Community's dealings with U.S. persons to the legality of certain covert actions. And although there are, of course, very real (and necessary) legal restrictions on the Intelligence Community, quite often the cited legal impediments ended up being either myths that overcautious lawyers had never debunked or policy choices swathed in pseudo-legal justifications. Needless to say, such confusion about what the law actually requires can seriously hinder the Intelligence Community's ability to be proactive and innovative. Moreover, over time, it can breed uncertainty about *real* legal prohibitions.

We believe this problem is the result of several factors, but for present purposes we note two. First, in the past there has not been a sizable legal staff that focused on Community issues. As a result, many Community problems were addressed through *ad hoc*, interagency task forces that tended to gravitate toward lowest common denominator solutions that were based on consensus and allowed action to be stalled by the doubts of the most cautious legal shop. Second, many rules and regulations governing the Intelligence Community have existed for decades with little thought given to the legal basis for the rules, or whether circumstances have changed the rules' applicability. Under such circumstances, it is unsurprising that legal "myths" have evolved.

The recent creation of a DNI General Counsel's office will increase the probability that Community legal issues are addressed more seriously. But the existence of the office alone does not guarantee an ongoing and systematic examination of the rules and regulations that govern the Intelligence Community. We therefore recommend that the DNI General Counsel establish an internal office consisting of a small group of lawyers expressly charged with taking a forward-leaning look at legal issues that affect the Intelligence Community as a whole. By creating such an office, the DNI will help ensure that the Intelligence Community is fully able to confront the many real—and imaginary—legal issues that will arise.

## **SUSTAINED OVERSIGHT FROM THE OUTSIDE AND IMPROVED SELF-EXAMINATION FROM WITHIN: MAKING SURE REFORM HAPPENS**

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Many—perhaps most—of the recommendations contained in this report have been made before. That we find ourselves proposing several sensible changes that former Secretary of Defense and Director of Central Intelligence James Schlesinger endorsed in 1971 suggests to us either that the Intelligence Community is inherently resistant to outside recommendations, or that it does not have the institutional capacity to implement them.<sup>25</sup> In either case, we are left with the distinct impression that meaningful intelligence reform proposals are only likely to become reality if the Intelligence Community receives sustained, senior level attention from knowledgeable outside observers. Today the Community receives only episodic oversight from the President’s Foreign Intelligence Advisory Board (PFIAB), Congress, and a thinly-stretched National Security Council. We recommend several changes to improve this state of affairs.

### **Recommendation 7**

We recommend that the Executive Branch improve its mechanisms for watching over the Intelligence Community in order to ensure that intelligence reform does not falter. To this end, we suggest that the Joint Intelligence Community Council serve as a standing Intelligence Community “customer council” and that a strengthened President’s Foreign Intelligence Advisory Board assume a more vigorous role in keeping watch over the progress of reform in the Community.

We recommend that the Joint Intelligence Community Council (JICC) serve as a “customer council” for the Intelligence Community. The JICC, which was created by the recent legislation, consists of the heads of each department that has a component in the Intelligence Community. Chaired by the DNI, the JICC will include the Secretaries of State, Treasury, Defense, Energy, and Homeland Security, the Attorney General, and other officers designated by the President.<sup>26</sup> Although not a perfectly representative group of consumers, the JICC should provide the DNI with valuable feedback on intelligence products.<sup>27</sup> We do not think, however, that the JICC is the appropriate body to perform more sustained oversight of the Intelligence Community. Since the DNI chairs the JICC, and the members of the JICC

are heads of departments containing intelligence components, the body would have a “conflict of interest” that would impair its ability to play an independent oversight role.

We recommend that the President’s Foreign Intelligence Advisory Board assume a more vigorous role with respect to the Intelligence Community. The PFIAB as it is currently constituted, however, is insufficiently equipped to accomplish this task. In addition to the seasoned national security policy experts now on the Board, a reinvigorated PFIAB would need more technical specialists able to assess Intelligence Community performance, as well as a larger staff to support the review and investigation tasks inherent in meaningful oversight. Such a PFIAB is not impossible to conceive, for it has existed in the past—as it should in the future.

### Recommendation 8

We recommend that the President suggest that Congress take steps to improve its structure for intelligence oversight.

As a commission established by the President, we tread onto the terrain of congressional reform with some trepidation. The new intelligence legislation, however, contains a provision requiring the delivery of our report to Congress. As a result, we believe that it would not be inappropriate for us to make suggestions for reform in this area that the President could, in turn, recommend that the Congress implement.

The 9/11 Commission concluded in its final report that the Congressional intelligence committees “lack the power, influence, and sustained capability” necessary to fulfill their critical oversight responsibilities.<sup>28</sup> The 9/11 Commission offered two alternatives for overhauling the intelligence committees: (1) creating a bicameral committee, modeled on the Joint Atomic Energy Committee; or (2) combining intelligence authorization and appropriation authorities into a single committee in each chamber.<sup>29</sup> The House and Senate have not adopted either of these options. While we echo the 9/11 Commission’s support for these proposals, we also recommend a number of more modest suggestions for improving Congressional oversight of intelligence.

***Limit the activities of new intelligence oversight subcommittees to strategic oversight.*** Both the House and the Senate intelligence committees have indicated their intention to establish oversight subcommittees.<sup>30</sup> But these subcommittees will not improve intelligence if they simply demand additional testimony from top intelligence officials on the crisis or scandal of the day. We suggest that, if created, the oversight subcommittees limit their activities to “strategic oversight,” meaning they would set an agenda at the start of the year or session of Congress, based on top priorities such as information sharing, and stick to that agenda.

***Adjust term limits.*** The Senate has voted to remove term limits for the Senate Select Committee on Intelligence.<sup>31</sup> While the House may consider this too large a step, it could consider alternatives that would ensure the survival of institutional memory while also bringing in “new blood” and providing more members with exposure to intelligence issues. For example, the House could lengthen or even eliminate the term limits for some of the committee slots rather than for all of the slots. We suggest making the House leadership’s authority to waive term limits explicit in the rules, and specifying that some positions on the intelligence committee would be free of term limits.

***Reduce the Intelligence Community’s reliance upon supplemental funding.*** There were good reasons for supplemental funding requests following the September 11 attacks. But for fiscal year 2005, nearly two-thirds of the key operational needs for counterterrorism were not included in the President’s budget, and instead were put in a supplemental budget request later in the year.<sup>32</sup> This reduces the Intelligence Community’s ability to plan operations and build programs. Instead of continuing to rely on large supplemental appropriations, we recommend that Congress and the President develop annual budgets that include the Intelligence Community’s needs for the entire year and better allow planning for future years.

***Adjust budget jurisdiction.*** Currently, the House and Senate oversight committees have different jurisdictions over the various components of the intelligence budget. Both committees have jurisdiction over the National Intelligence Program (NIP). The House intelligence committee also shares jurisdiction with the Armed Services Committee over the Joint Military Intelligence Program (JMIP) and Tactical Intelligence and Related Activities (TIARA) budgets. The Senate intelligence committee has no jurisdiction over JMIP or TIARA, although it provides advice to the Armed Services

Committee on both budgets. This complicates conferences on the intelligence authorization bill and reduces intelligence committee input into the JMIP and TIARA budgets. We recommend broadening the Senate intelligence committee's jurisdiction to include JMIP and TIARA in order to integrate intelligence oversight from the tactical through to the national level.

***Allocate the intelligence budget by mission, rather than only by program or activity.*** The DNI can also take steps to streamline and professionalize the intelligence oversight process. One impediment to Congressional evaluation of the intelligence budget is the way the budget is presented. Because line items track specific technologies or programs rather than mission areas, it is nearly impossible for Congress—or the Executive Branch—to evaluate how much money is being spent on priority targets such as terrorism or proliferation. We recommend that the DNI restructure the budget by mission areas, thus permitting greater transparency throughout the budget cycle. This mission-centered budget would permit the individual Community elements to track their expenditures by mission throughout the year, affording the DNI greater flexibility in managing the Community, and the Executive Branch and Congress an increased ability to provide effective oversight.

***Deter unauthorized disclosures.*** More substantive Congressional oversight must be accompanied by a strengthened commitment to protect sensitive information from unauthorized disclosure. The Congress has rules to protect sensitive information and a process for investigating and penalizing those who violate those rules.<sup>33</sup> In some instances, however, unauthorized disclosures have either been ignored or treated lightly. The Senate and House leadership should place greater emphasis on ensuring that all members understand the need to carefully protect sensitive information and the penalties for unauthorized disclosures. For example, the leadership could make clear that all unauthorized disclosures of classified information will be referred to the ethics committees. Furthermore, both Senate and House members who are read into sensitive compartments should follow the same nondisclosure procedures applicable to the Executive Branch.<sup>34</sup>

***Improve committee mechanisms to encourage bipartisanship.*** Partisan politics should never be allowed to threaten national security. To foster bipartisanship, we recommend that the House intelligence committee consider adopting provisions similar to those in the Senate, such as designating the ranking member as the Vice Chairman of the committee, requiring that the majority

maintain no more than a one-member advantage in membership, and ensuring that the rules provide the majority and minority leaders with equal access to committee information. The committees could also take concrete steps to reinforce close, cooperative relationships among the entire staff. For example, regular joint staff meetings could be encouraged or even required. Perhaps most importantly, the staff should consist of national security professionals focused on the objectives and priorities of the committee.

***Encourage more informal discussions and collaboration between the Intelligence Community and its congressional overseers.*** The Intelligence Community typically interacts with Congress in formal ways, through briefings to the intelligence committees and formal testimony. However, there also have been occasional “off sites” at which senior lawmakers and Intelligence Community leaders have met in a more informal and less adversarial setting. Both sides have stressed the value of these informal sessions, both in fostering cordial cross-branch relationships and in increasing bipartisanship among lawmakers. We encourage the expanded use of these and other informal collaborative efforts.

***Consider an intelligence appropriations subcommittee.*** While the intelligence authorizing committees are well-staffed and completely focused on the Intelligence Community, the intelligence appropriations are simply a small part of the Defense and other appropriators’ jurisdiction, so staffing and attention to intelligence issues are in short supply on the appropriations committees. The resulting mismatch reduces oversight and coordination of policy within Congress. While we recognize the difficulties, we suggest that serious consideration be given to the establishment of an appropriations subcommittee focused exclusively on the intelligence budget.

***Look for ways to reduce the cost of oversight in the Intelligence Community.*** With so many congressional committees with jurisdiction over aspects of foreign and domestic intelligence, the oversight process—between staff requests, formal testimony, congressionally directed actions, and budget reviews—imposes great demands on the resources of the Intelligence Community. Intelligence Community professionals collectively appear before Congress in briefings or hearings over a thousand times a year, and also respond to hundreds of formal written requests from Congress annually<sup>35</sup>—and the latter number will only increase in light of the recent intelligence reform legislation, which itself added 27 one-time and 16 annual reports to the DNI’s annual congressional

reporting requirements. While we recognize that congressional oversight inherently has costs, we encourage the Congress to look for ways to streamline their interactions with the Intelligence Community.

### Recommendation 9

The Intelligence Community should improve its internal processes for self-examination, including increasing the use of formal “lessons learned” studies.

As important as executive and legislative oversight is, they will never be a substitute for an Intelligence Community that takes self-evaluation seriously. But the Intelligence Community has done far too little to institutionalize “lessons learned” studies and other after-action evaluations that are commonplace in the Department of Defense and other government agencies. Of course, when human resources are stretched thin, the idea of devoting good personnel to examine the past often seems a luxury that intelligence agencies cannot afford.

Understandable as it is, this view must be resisted. Over the long run, an organization with sound “lessons learned” processes will be more efficient and productive—even if those processes seem to be distracting good people and resources from the imperatives of the moment. We recommend that the DNI develop institutionalized processes for performing “lessons learned” studies and for reviewing the Intelligence Community’s own capabilities, rather than waiting for commissions like ours to do the job. In a separate chapter we offer a recommendation in this regard that is specific to analysis, (see Analysis, Chapter 8)—but this is a problem that affects all areas of intelligence. While we think it advisable that organizations devoted to self-evaluation exist in all major intelligence agencies, the DNI must drive an independent “lessons learned” process as well—for it is the DNI who will have insight into shortcomings and failures that cut across the intelligence process. We also note that whatever entities at the DNI or agency level assume these after-action responsibilities—be they agency inspectors general or other offices—they should not conduct these reviews to justify disciplinary or other personnel action, but rather to identify shortcomings and successes and to propose improvements to aspects of the intelligence process.

## CONCLUSION

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The creation of an integrated Intelligence Community will not happen merely by improving activities within different agencies, and it will most certainly not happen spontaneously. It will take assertive leadership by the new DNI, vigorous support from senior policymakers and Congress, and sustained oversight from outside the Intelligence Community. Provided all that, and substantial time, a Community that has resisted management reform—and often management of any sort—can emerge better configured to deal with the pressing challenges of the new century.

## ADDENDUM: THE OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE

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In our discussion of management issues the DNI will confront, we have tried to eschew the “boxology” that often dominates discussions of government reform. While it is obviously important to consider what staff functions will be performed in the Office of the DNI, precise organizational questions about the structure of the office—such as, for instance, the number of deputies the DNI should have and their responsibilities—are questions to which there is no “right answer.” Nonetheless, when considering the tasks that will need to be performed in the office of the DNI, we necessarily had to consider how the office might be organized to perform these functions. We offer here the result of these considerations, but we emphasize that the model we propose is a notional one that we offer only to facilitate further discussion.

The new legislation creates a number of positions in the Office of the Director of National Intelligence. The statute creates a Senate-confirmed principal deputy to the DNI, and empowers the DNI to appoint up to four deputy directors. In addition, the statute also states that the Office of the DNI shall contain a General Counsel, a Director of Science and Technology, a National Counter-intelligence Executive, a Civil Liberties Protection Officer, and the National Intelligence Council. Finally, the legislation provides that the Office of the DNI *may* include “[s]uch other offices and officials as may be established by law or the Director may establish or designate in the office,” including “national intelligence centers.” Of these various mandated and discretionary offices, only one—the Civil Liberties Protection Officer—is required by the act to “report directly to” the DNI;<sup>36</sup> in our view, the remainder can therefore report to the Director through one of the four Deputy DNIs (DDNI) permitted under the legislation.

The notional model described below—and depicted on the wiring chart at the end of this chapter—is structured around four Deputy Directors: a Deputy Director for Integrated Intelligence Strategies; a Deputy Director for Collection; a Deputy Director for Plans, Programs, Budgets, and Evaluation; and the Chief Information Management Officer. We also suggest the creation of two additional positions: an Assistant DNI for Support to Military Operations, and an Assistant DNI for Human Resources. The section that follows briefly describes the responsibilities of each of these subordinate offices.

## Deputy DNI for Integrated Intelligence Strategies

We have stressed the need for ensuring that the Intelligence Community's management structure be focused on missions, and propose the creation of Mission Managers to ensure that intelligence collection is driven by the needs of analysts, policymakers, and other intelligence "customers." In our proposed organizational structure for the Office of the DNI, Mission Managers would be housed in the office of a Deputy DNI for "Integrated Intelligence Strategies." This office would also perform the following functions (often through the Mission Managers):

***Mission Manager coordination, support, and oversight.*** The Deputy Director for Integrated Intelligence Strategies would advise the DNI on the intelligence subjects that require Mission Managers, and develop processes for the periodic review of those subjects to ensure that new priority intelligence topics are not missed. He or she would also oversee the Mission Managers and resolve disputes among them in those (we expect rare) situations where they disagree among each other over the prioritization of intelligence requirements.

***Customer support.*** Mission managers will be the primary interface for customer support on their substantive topics, but the DDNI for Integrated Intelligence Strategies would establish procedures to improve customer support across the Intelligence Community and assess new ways to improve the ways in which policymakers and other users receive intelligence support.

***Analytical oversight.*** The office of the Deputy Director for Integrated Intelligence Strategies would be responsible for overseeing the analytical community (often through Mission Managers), reaching out to subject-matter experts outside of the Intelligence Community (and developing procedures and processes for analysts throughout the Community to do the same), and encouraging the development and mainstreaming of new analytical tools.

***Current intelligence support to the DNI.*** In fulfilling his role as principal intelligence advisor to the President, the DNI will require a support staff. This staff would be housed in the Office of the Deputy Director for Integrated Intelligence Strategies, who would serve as the DNI's principal intelligence expert.

## Deputy DNI for Collection

Both in this chapter and in our later chapter devoted to Collection (Chapter 7), we emphasize the need for Community-level leadership of vital collection functions that today are not centrally managed. We would create a Deputy DNI for Collection to perform this role. One of this official's most important functions would be to oversee the customer-driven collection requirements process managed by the Mission Managers and their Target Development Boards. The Mission Managers should provide the needed analytic input directly to collection agencies, but there must be a mechanism to ensure that intelligence collectors are responding to those requirements. The Deputy DNI for Collection would also perform the following functions:

***Strategic oversight of collection.*** The Office of the Deputy Director for Collection would monitor the performance of collection agencies in responding to all customer needs, including, most importantly, the requirements developed by Mission Managers and Target Development Boards and those that ensure that U.S. military commanders and forces are also appropriately supported. It would also oversee the development of the “integrated collection enterprise” we recommend in Chapter Seven (Collection).

***Development of new collection sources and methods.*** When collection requirements cannot be met because of insufficient capabilities, this office would spur the development of new sources and methods to overcome the capability gap. This office would play an especially important role in sponsoring those new capabilities whose interoperability across collection agencies is critical to Community collaboration. Efforts to identify new capabilities will include outreach to U.S. government laboratories, industry, and academia, as appropriate.

***Strategic investment for Community collection.*** When collection requirements cannot be met because of insufficient capability, and new technologies and systems are required, the Deputy DNI for Collection would advocate innovative science and technology for collection applications, and would ensure such capability requirements are addressed in the development of the National Intelligence Program (NIP) budget, and in the DNI's inputs to the Joint Military Intelligence Program (JMIP) and Tactical Intelligence and Related Activities (TIARA) budgets.

## Deputy DNI for Plans, Programs, Budgets, and Evaluation

As we have noted, the DNI's primary leverage will come not through "line" control of Intelligence Community agencies, but rather from his budgetary authorities. We would establish a Deputy DNI for Plans, Programs, Budgets, and Evaluation (PPBE) to ensure that this authority is exercised promptly and completely. The Deputy DNI for PPBE's most significant functional responsibilities would include:

**Plans and policy.** The DNI is responsible for developing and presenting the NIP budget and for participating in the development of the JMIP and TIARA budgets.<sup>37</sup> To develop a rational investment balance to meet customer needs, the DNI will have to evaluate the capabilities of the Community, develop options for resource allocations, and propose specific programs submitted for inclusion in the NIP.

**Comptroller.** As a financial manager, the DNI is responsible for executing the NIP and reprogramming funds within limits established in the new legislation.<sup>38</sup> In performing these duties, the DNI will require a staff element to fill these comptroller functions.

**Acquisition.** The reform legislation makes the DNI the Milestone Decision Authority for major acquisition systems funded in whole within the NIP and assigns the DNI responsibility to procure information technology systems for the Intelligence Community. Through the Deputy DNI for PPBE, the DNI would set acquisition policy, provide acquisition oversight, and act as program manager for all Community systems whose interoperability is essential to Community effectiveness. As we have noted, for the major systems over which the DNI and the Secretary of Defense share acquisition authority, joint procedures must be established with the Defense Department.

**Program evaluation.** The Deputy DNI for PPBE would be responsible for analyzing and evaluating plans, programs, and budgets in relation to Community objectives and requirements, and for ensuring that costs of Community programs are presented accurately and completely.

## Chief Information Management Officer

One of our major information sharing recommendations is that the DNI appoint a chief information management officer (CIMO) who would manage

the information sharing environment for the Intelligence Community. Given the importance of the development of such an environment, we would make the CIMO one of the DNI's Deputies. We detail the CIMO's responsibilities in our chapter on Information Sharing (Chapter 9), but we emphasize here that this individual would be responsible both for information *sharing* and information *security* across the Intelligence Community. As the attached organizational chart suggests, we would have the CIMO supported by three separate component offices dedicated to information sharing, information security and protection of sources and methods, and risk management.

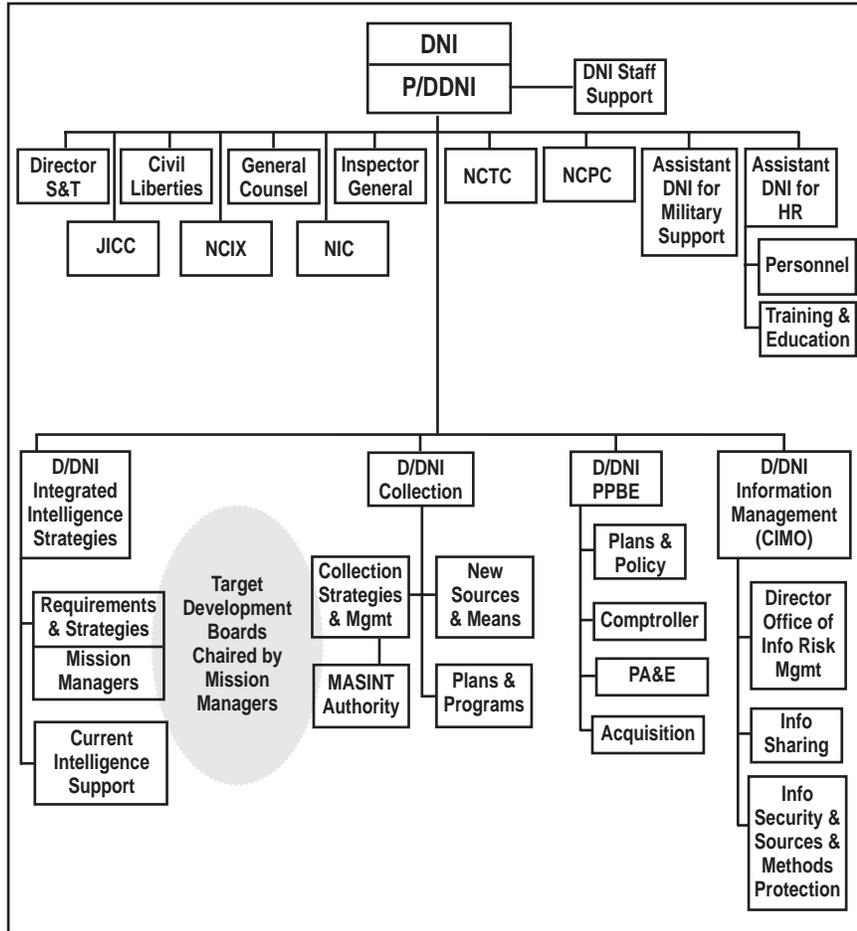
### **Assistant DNI for Support to Military Operations**

The Director of Central Intelligence (DCI) currently has an Associate DCI for Military Support—a position created in the wake of Operation Desert Storm to provide a high level military representative on the DCI's staff whose mission was to improve the Intelligence Community's support to military operations. Incumbents in this position have been three-star officers, normally with a combat-arms background. As we have noted in our management discussion, in the wake of the intelligence reform legislation the relationship between the DNI and the Secretary of Defense will assume great significance. Accordingly, we would suggest that a similar—and strengthened—military support position be created in the Office of the DNI who would act as principal advisor to the DNI on military support issues, serve as Mission Manager for intelligence support to military operations, and assist the DNI in developing joint strategies and coordination procedures between the DNI and the Secretary of Defense.

### **Assistant DNI for Human Resources**

The intelligence legislation provides the DNI with substantial personnel authorities, and we recommend earlier in this chapter that a DNI-level Human Resources Authority be established to develop and implement appropriate personnel policies and procedures for the Intelligence Community. We would propose that an Assistant DNI for Human Resources oversee this Human Resources Authority, and oversee the substantial changes in recruiting, training, and personnel policy that we believe are necessary. The Assistant DNI for Human Resources would also oversee the National Intelligence University that we recommend in this chapter.

### A Notional Organization of the Office of the Director of National Intelligence



## ENDNOTES

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<sup>1</sup> While the 15 organizations within the Intelligence Community are not all technically “agencies”—some are instead designated as “bureaus” or “offices” within executive departments or military services—we at times refer to them collectively as “agencies,” for the sake of simplicity and convenience. For a more detailed description of the components of the Intelligence Community, please see our Overview of the Intelligence Community at Appendix D of this Report.

<sup>2</sup> Intelligence Reform and Terrorism Prevention Act of 2004 at § 1011, Pub. L. No. 108-458 (hereinafter “IRTPA”).

<sup>3</sup> Interview with senior Department of Defense official (Oct. 4, 2004).

<sup>4</sup> The DNI is to “determine” and guide the development of the NIP and the budgets for the Community’s component agencies. IRTPA at § 1011. Moreover, in contrast to the DCI, whose formal participation in the budget process ended when the annual budget was prepared, the DNI both directs the allocation of National Intelligence Program appropriations and can “ensure the effective execution” of the annual intelligence budget. Perhaps most importantly, while the DCI could not transfer national intelligence program funds within the budget of an intelligence agency without approval of the agency’s department head, the DNI can transfer up to \$150 million annually (or 5 percent of a given intelligence agency’s budget) without approval. *Id.*

<sup>5</sup> The overall budget for intelligence is divided into three separate programs: the National Intelligence Program; the Joint Military Intelligence Program (JMIP); and the programs for Tactical Intelligence and Related Activities (TIARA). The Secretary of Defense has primary authority to develop the annual JMIP and TIARA budgets, although the new legislation states that the DNI shall “participate” in the development of these processes. *Id.*

<sup>6</sup> The DNI has exclusive Milestone Decision Authority only for major system intelligence acquisition programs that are not in the Department of Defense. The DNI must share Milestone Decision Authority with the Secretary of Defense for systems funded by the NIP that are within the Defense Department, and lacks even joint Milestone Decision Authority over major system intelligence programs that rely in whole or in part on the Defense Department’s joint military or tactical intelligence program funds. *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> Some have suggested—drawing on a loose analogy to the military’s use of “joint commands”—that the best way to accomplish this task is to divide the universe of intelligence into “national intelligence centers.” As we discuss later in this chapter, while we believe that centers can and should be used in certain circumstances, we are less enthusiastic about the idea of using centers as a generally applicable organizational model for tackling intelligence problems, and believe the Mission Manager concept to be superior for this purpose.

<sup>10</sup> IRTPA at § 1011.

<sup>11</sup> See, e.g., James R. Locher, *Victory on the Potomac: The Goldwater-Nichols Act Unifies the Pentagon* (2002); Commission on the Roles and Capabilities of the United States Intelligence Community (i.e., Aspin-Brown Commission), *Preparing for the 21st Century: An Appraisal of U.S. Intelligence* (1996).

<sup>12</sup> DCI Community Management Staff, *NFIP—Funds by Selected Topic: Education and Training* (Dec. 7, 2004) (prepared at the Commission’s request).

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<sup>13</sup> Interview with senior CIA official (Dec. 9, 2004).

<sup>14</sup> IRTPA at § 1021 (on the NCTC) and § 1022 (on the NCPC).

<sup>15</sup> *Id.* at § 1022.

<sup>16</sup> While we believe that chemical weapons are not a threat of the same order as nuclear and biological weapons, there are sufficient areas of overlap between the processes for collecting intelligence on these three categories of weapons to justify the inclusion of chemical weapons in the NCPC's mission. It is critical, however, that resources at the NCPC be allocated among these weapons types in a manner that is proportionate to the threat.

<sup>17</sup> *Final Report of the National Commission on Terrorist Attacks Upon the United States* (2004) at p. 410 (hereinafter "9/11 Commission Report").

<sup>18</sup> We recognize that the Intelligence Community implements policy when it executes covert action, but this is done (we think appropriately) with very strict oversight and in relatively limited circumstances.

<sup>19</sup> Interview with R. James Woolsey, former Director of Central Intelligence (Aug. 24, 2004).

<sup>20</sup> Interview with senior Defense Department official (Feb. 3, 2005).

<sup>21</sup> Interview with senior Defense Department official (Jan. 13, 2005).

<sup>22</sup> *Id.*

<sup>23</sup> Interview with senior Defense Department official (Feb. 3, 2005).

<sup>24</sup> IRTPA at § 1013.

<sup>25</sup> James Schlesinger, *A Review of the Intelligence Community* (Mar. 10, 1971).

<sup>26</sup> IRTPA at § 1031.

<sup>27</sup> The JICC as currently composed does not include a representative from the Executive Office of the President, or other parts of the Executive Branch that do not include elements of the Intelligence Community. The President could easily solve the problem of no White House representation by making the Special Assistant to the President for National Security Affairs a member of the Council.

<sup>28</sup> 9/11 Commission Report at p. 420.

<sup>29</sup> *Id.*

<sup>30</sup> The U.S. House of Representatives has created a Subcommittee on Oversight for the 109th Congress. The Senate has to date not created one although there is ongoing discussion of the issue.

<sup>31</sup> Senate Resolution 445, 108th Congress, 2nd Session (Oct. 9, 2004).

<sup>32</sup> Interview with DCI Community Management Staff official (Feb. 23, 2005); CIA, *Response to Document Request # 74, Question 2*.

<sup>33</sup> *Rules of the Select Committee on Intelligence, Congressional Record* (Feb. 25, 2003) at pp. S2689-S2694.

<sup>34</sup> HPSCI staff members are required by HPSCI Rules 12(b)(2) to sign a Non-Disclosure Agreement. Both Members and staff are bound by the House Rules regarding non-disclosure of classified material. Senate Rule 10.5 also contains a requirement of a Non-Disclosure Agreement for SSCI staffers.

<sup>35</sup> Office of the DCI, Submission to Commission (March 2005).

<sup>36</sup> IRTPA at § 1011.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*