The Office of the Under Secretary of Defense for Intelligence: The First 10 Years

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> ***"The creation of the office of the under secretary of defense for intelligence in March 2003 can now be marked as one of the most significant milestones in the history of defense intelligence."***

The creation of the office of the under secretary of defense for intelligence (OUSD(I)) in March 2003 can now be marked as one of the most significant milestones in the history of defense intelligence. For decades, intelligence-related functions within the office of the secretary of defense had been performed by several different organizational structures and reporting channels, and the responsibility had at times been assthanigned to officers at several layers below the secretary or to a deputy assistant secretary of defense. Once, it was assigned to an assistant secretary of defense (ASD). The department's command, control, and communications and its intelligence functions were at times consolidated and then separated. None of these structures gave intelligence sufficient priority or attention.[a]

When Donald Rumsfeld became secretary of defense in 2001, the intelligence function was, in fact, handled by an assistant secretary of defense—for command, control, communications, and intelligence (C3I). Also at the time eight DoD agencies had intelligence responsibilities. Four of them—the National Security Agency/Central Security Service (NSA/CSS), National Imagery and Mapping Agency (now National Geospatial-Intelligence Agency (NGA), National Reconnaissance Office (NRO), and Defense Intelligence Agency (DIA)—reported directly to the secretary. The remainder, the four military service intelligence agencies, reported to their service chiefs.

Rumsfeld understood the critical importance of intelligence and the need for improved management of the function in his department. The 9/11 terrorist attacks added a sense of urgency. The secretary was also keenly aware of his responsibility for ensuring that the funds Congress allocated for intelligence were spent appropriately. The department's intelligence activities had become so broad and complex that a leader with high stature in the Pentagon and the Intelligence Community (IC) was needed to effectively represent DoD interests. The secretary and his senior staff concluded that the scope of the responsibilities would best be handled by an under

[a] This essay is drawn from a recently published DIA History, *Defense Intelligence Coming of Age: The Office of the Under Secretary of Defense for Intelligence, 2002–2012*. Additional, classified source material for this work is cited in the original work and held in the office of the DIA Historian along with sources cited in this article.

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Milestones in the Evolution of the USD(I)

2002 **December**
FY2003 Defense Authorization Act passed; created the USD(I) position

2003 **March**

Stephen Cambone, first USD(I)

December
FY2004 Defense Authorization Act signed; act contained language mandating a comprehensive ISR (intelligence, surveillance, and reconnaisance) strategy

2004 **January**
Cambone launches RDI (remodeling defense intelligence) program

December
IRTPA signed into law; created the ODNI position

2005 **November**
S/DoD Rumsfeld signs directive enhancing authority of USD(I)

2006 Introduction of JIOCs into combatant commands

JMIP & TIARA funding mechanisms folded into MIP (Military Intelligence Program)

2007 **April**

Second USD(I) James R. Clapper confirmed by Senate

Clapper develops program between MIP and broader NIP to make defense intelligence planning more efficient & effective

S/DoD Gates and DNI McConnell agree on authorities of USD(I)

2008 S/DoD Gates creates ISR Task Force

2010 S/DoD Gates institutionalizes responsibilities of ISR Task Force

2011 Michael Vickers becomes third USD(I)

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secretary reporting directly to the secretary.

The Defense Authorization Act for Fiscal Year 2003 included authorization for the position of under secretary of defense for intelligence (USD(I)), and nominated and installed the director of his program and analysis office, Dr. Stephen Cambone, to the position. Cambone would exercise authority, direction, and control over all intelligence and intelligence–related activities within the department and serve as the secretary's single point of contact in DoD for other government agencies on intelligence matters. In November 2005 Rumsfeld signed a directive that served as the charter for the office, formally delegating authority over the defense intelligence agencies and field activities and giving Cambone the full authority that he required.

Meanwhile, Congress passed the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004. Among other things the act created the office of the director of national intelligence (ODNI), which began operations in April 2005. Establishing an effective relationship with and supporting the ODNI added new challenges and responsibilities for the under secretary and his staff.[a]

With the departure of Rumsfeld and Cambone in late 2006, OUSD(I) underwent significant change. In May 2007, not long after the Senate confirmed Lt. Gen. James R. Clapper, Jr., USAF (Ret.), as USD(I), Secretary of Defense Robert Gates and DNI Michael McConnell formally agreed that the USD(I) would be dual-hatted as the director of defense intelligence within the ODNI, acting as the primary military intelligence adviser to the DNI and ensuring that defense intelligence was fully integrated into the IC.

Cambone would exercise authority, direction, and control over all intelligence and intelligence–related activities within the department.

In 2008 Clapper realigned his staff with the goal of strengthening warfighter support, human intelligence (HUMINT), and counterintelligence integration, more effectively aligning core functions, and better ensuring that the office could meet the needs of DoD and the IC.[b]

Creating OUSD(I)

The concept that shaped the new position was primarily Secretary Rumsfeld's, who saw it as a central element in a reform of defense intelligence. It would be implemented only after many months of effort by Pentagon officials. Rumsfeld and his staff were keenly aware that securing congressional support would be critical in the reform effort. He made a carefully considered decision to use the Senate Armed Services Committee (SASC) as his point of entry to Congress rather than the Senate and House intelligence committees.

Rumsfeld argued that his proposal was an internal DoD reorganization, not a reorganization of the Intelligence Community, and thus it was appropriate to send it to the armed services committees for action. Pentagon officials believed the other Senate committees would most likely not challenge the SASC over a DoD reorganization. Rumsfeld was also confident that his proposal would face little opposition in the Republican-controlled House of Representatives, particularly in the aftermath of 9/11.[c]

By the end of 2001, Rumsfeld had formally asked SASC Chairman Carl Levin (D-MI) and its ranking member Senator John Warner (R-VA) to include authorization for two new under secretary positions, one for homeland security and the other for intelligence, in the Fiscal Year 2002 Defense Authorization Bill. This effort came too late in the FY 2002 legislative process, but the secretary had effectively planted a seed and made his intentions clear.[d]

Meanwhile, Pentagon officials continued to smooth over any tensions with the House and Senate intelligence committees, whose

[a] Bob Stump National Defense Authorization Act for Fiscal Year 2003, Section 901, PL 107-314, 2 Dec 2002; Department of Defense Directive (DoDD) 5143.01, "Under Secretary of Defense for Intelligence (USD(I))," 23 November 2005.
[b] Memorandum of Agreement between the Secretary of Defense and the Director of National Intelligence, 21 May 2007; James R. Clapper, Jr., Memorandum for Director, Administration and Management, Subj: Reorganization, 3 June 2008.
[c] Lawrence W. Danforth, "One Dog to Kick," National Defense University/National War College, n.d., 4.
[d] Danforth, 4; Donald Rumsfeld to Sen. Carl Levin, 26 November 2001.

The plan did face stiff resistance from some defense intelligence agency leaders, although not DIA's leaders.

members were indeed concerned that Rumsfeld was trying to circumvent their intelligence oversight responsibilities. Rumsfeld's relationship with Congress had been strained at times, and some members regarded him with skepticism. Moreover, in the aftermath of 9/11, Congress was in the midst of debating the need for broad reforms within the IC and beginning to consider creation of a national intelligence director position. Some thought Rumsfeld's initiative was an effort to impede this. Others most likely saw it as a distraction from the main goal of community reform.

Securing congressional support took political skill and months of concerted effort. Opposition from any one of the intelligence or defense committees could have derailed the proposal. During this process, Rumsfeld also realized the importance of Director of Central Intelligence George Tenet's support. Rumsfeld knew he needed Tenet not just to go along but to become a strong advocate. When first told of the USD(I) concept, Tenet and other CIA leaders were understandably concerned that the position and its implied elevation of defense intelligence might diminish the DCI's authorities and prerogatives.[a]

Senior CIA officers had grown used to reaching into DoD at any organizational level they deemed useful, and they wanted to be sure the DCI remained directly engaged with the secretary and not have to go through a lower ranking officer, even one as close to the secretary as the proposed USD(I).

For their part, Pentagon officials emphasized the benefits the USD(I) would provide the DCI: a single point of contact for defense intelligence, more effective implementation of DCI policy guidance, consolidated oversight of DoD programs and improved efficiencies, improved coordination between DoD and the DCI's Community Management Staff (CMS), and a single DoD voice at CMS budget meetings.

The concepts appealed to Tenet, who was struggling with issues of intelligence performance and reform in the wake of 9/11 and US military operations in Afghanistan. More pragmatically, Tenet and other CIA senior officers no doubt also came to realize by this time that resistance would be futile. Tenet's support for the USD(I) proposal ultimately helped weaken such resistance as there was in Congress.

The plan did face stiff resistance from some defense intelligence agency leaders, although not DIA's leaders. Those who opposed it generally feared they would lose some authority and autonomy. These leaders had become accustomed to operating fairly independently and dealing directly with senior Pentagon officials and the DCI.

In response, Pentagon officials emphasized that the OUSD(I) would serve as an advocate for them inside the Pentagon and on the Hill.[b] The secretary also faced resistance from inside the Pentagon. The then ASD (C3I), John Stenbit, strongly opposed the idea of setting up a new intelligence organization within the Pentagon. He contended that the command, control, communications, and computers (C4) functions he oversaw had a natural symbiosis with intelligence and should remain linked under his office.

Neither internal nor congressional opposition gained traction, and the secretary's second attempt to secure congressional approval succeeded with the passage on 2 December 2002 of the FY 2003 authorization act, which included the position. On 11 March 2003, Stephen Cambone was sworn in as the first USD(I).

Major Reforms and Initiatives

In its first years, OUSD(I) initiated major reforms and reorganizations in defense intelligence, particularly in the areas of HUMINT, resource allocation and priorities, measurement and signature intelligence (MASINT), and intelligence, surveillance, and reconnaissance (ISR). It also focused its effort on enhancing information

[a] James E. Scofield, "Master at Work: Rumsfeld and the Creation of the Under Secretary of Defense for Intelligence," National Defense University/National War College, January 2004, 3; Danforth, 7.
[b] VADM Lowell E. Jacoby, USN (Ret), and Louis Andre interview with author, 5 March 2012, 6–7.

sharing and collaboration within and outside defense intelligence.

In January 2004, Cambone launched an innovative program called remodeling defense intelligence (RDI), which had the goals of promoting information sharing within DoD, strengthening all-source analysis, forcing greater integration of intelligence assets, and improving the various intelligence disciplines. Reforming Defense HUMINT was a key component of RDI and would remain a top priority for his successor in 2007, Lt. Gen. James Clapper.

A key component of RDI was the concept of joint intelligence operations centers (JIOCs). Various studies had identified the need for better integration of intelligence and better intelligence handling processes. In 2006, Rumsfeld directed that JIOCs be created in each of the combatant commands. The JIOC system was designed to eliminate traditional logjams caused by chains of command and to facilitate more direct communications between analysts and collectors in the field. At the same time, officials established a Defense JIOC at DIA. The DJIOC, as it was called, had representatives from DIA, NSA, NGA, and the ODNI. The DJIOC was to provide all-source intelligence support to the combatant command JIOCs. For the combatant commands it became a "one-stop shop" for intelligence operations and planning support at the national level.

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The JIOCs proved to be one of DoD's greatest assets in the effort to strengthen the links between operations and intelligence. Officials developed a standardized model for JIOCs, and some JIOC staffs now number in the thousands. Putting a multi-intelligence capability in the combatant commands supported by NGA, DIA, and other agencies made those commands stronger and more effective, and the JIOCs provided a foundation that officials could build on to support military operations.

That said, the JIOCs were conceived and implemented in the context of ongoing military operations in Afghanistan and Iraq, and questions remain about how they will fit in to today's changing geopolitical environment, particularly as US forces pull out of Afghanistan. Some modification of the JIOCs might be needed as the global environment continues to change.

Another fundamental change came in the way the department budgeted for and funded intelligence. Rumsfeld, Cambone, and others concluded that they needed a more effective structure for managing and allocating intelligence resources and for the accounting process. In a relatively short period of time, defense intelligence moved from what some described as the disorganized or even chaotic Joint Military Intelligence Program (JMIP) and Tactical Intelligence and Related Activities (TIARA) funding process to a new Military Intelligence Program (MIP) established by OUSD(I).

Officials folded the JMIP, which funded intelligence efforts that extended beyond military service boundaries, and TIARA, which funded items related to the intelligence missions of individual services and agencies that were not national, into the MIP. Consolidating resources under a single budget program enabled leaders to more effectively make exchanges between disparate parts of the budget.

As USD(I) Clapper went even further in exercising MIP authorities and developing an intelligence program between the MIP and the broader National Intelligence Program (NIP), making defense intelligence program planning more effective and efficient. Over time officials developed various rules-based approaches to how they jointly programmed initiatives. As a result, each year officials now publish the Consolidated Intelligence Guidance, detailing joint program planning between the NIP and MIP.[a]

Over the years, OUSD(I) also played a major role in overseeing the department's ISR enterprise. In 2004 Congress directed the office to develop a comprehensive plan to guide the development and integration of DoD ISR capabilities for the next 15 years. It called for the creation of the ISR Integration Council, which, along with the director of

[a] Acting Deputy Secretary of Defense Gordon England, Memorandum to the Secretaries of Military Departments et al., Subj: Establishment of the Military Intelligence Program, 1 Sep 2005.

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central intelligence, would contribute to the design of an ISR roadmap and address ISR integration and coordination issues. In 2008 Secretary Gates created an ISR Task Force led by the deputy under secretary of intelligence for joint and coalition warfighter support. In 2010 Gates went even further, institutionalizing the responsibilities of the ISR Task Force within OUSD(I).[a]

Related to the efforts and initiatives cited above were stunning advances in technology that greatly enhanced the IC's ability to support operations. The advances in unmanned aerial vehicles (UAV), for example, had a profound impact on all of intelligence. This particular technology began in a special operations context—tracking terrorists and bringing to bear all forms of intelligence on that problem.

But now the UAV transcends the special operations world and affects conventional military forces and all of intelligence. In a more general sense, relatively recent technological advances have collapsed the boundaries between national, operational, and tactical intelligence. At the same time, these new technologies dramatically increased the volume of available information, making it increasingly difficult for the IC to manage the data and for analysts to identify the information they needed to make meaningful analysis.

The department's efforts to keep pace with these technological advances have had mixed results. A 2012 House Permanent Select Committee on Intelligence report noted that DoD's success with ISR in Iraq and Afghanistan had fueled an exponential growth in new and enhanced ISR capabilities over the past decade. The department had spent roughly $67 billion on ISR since the 9/11 attacks but had failed to strategically plan for how this investment related to future requirements.

Oversight had not kept pace with investment in ISR and allowed inefficiencies to arise in DoD's ISR portfolio. In a time of fiscal constraint with operations winding down in Afghanistan, the report recommended that the DoD begin using cost-benefit analysis in its ISR acquisition decisions and reallocate existing ISR assets from Afghanistan to the combatant commands and that it disband the ISR Task Force at the end of its Afghanistan mission.[b]

Three Under Secretaries

Although the themes of operationalizing intelligence and transforming technological advances remained constant, each under secretary had different priorities and goals. Much as with any organization, their tenures reflected what was needed at the time, as well as their individual strengths and priorities. Each came from a different background and brought unique expertise and experience to the job. Each held a different vision and view of the appropriate role for the OUSD(I) organization.

As the first USD(I), Cambone's priority was to firmly establish the office and uphold the secretary's authorities. He was determined to make his small organization strong and brought in senior officers with the right mix of experience and expertise required to ensure that it would not only survive, but thrive. He laid an effective foundation, making it clear that the under secretary had certain responsibilities and he was going to exercise them. Despite some resistance, Cambone began to shape the way OUSD(I) would provide program oversight of defense intelligence, something that had not been done previously.

Under Secretary Clapper brought to the job a career's worth of intelligence experience and expertise. He spent much of his time completing the stand-up of OUSD(I) and focused on space programs, the ISR Task Force, HUMINT, and other issues. Finally, Clapper assumed a more active role within the national IC than his predecessor had and sought an expanded role for his organization within that community.

When Michael G. Vickers became the third under secretary in March 2011, OUSD(I) entered a new phase in its history. Vickers oversees

[a] Secretary of Defense Robert Gates, Memorandum to Secretaries of Military Departments et al., Subj: Operational Intelligence, Surveillance, and Reconnaissance Task Force, 18 April 2008.

[b] House Permanent Select Committee on Intelligence, "Performance Audit of Department of Defense Intelligence, Surveillance, and Reconnaissance," April 2012, ii.

defense intelligence at a strategic turning point after 10 years of conflict in Iraq and Afghanistan. This includes dealing with budget limitations and developing a strategy for the future. The under secretary recognized the challenges ahead, particularly with the unprecedented pace of global operations, the need to adapt to a rapidly changing intelligence environment, and the need to prevent strategic surprise while fully supporting on-going operations, all of this in a period of fiscal constraint.

While Vickers built on the initiatives of his predecessors, he brought his own vision, priorities, and strengths to the position. Under his leadership, OUSD(I) focused primarily on defeating al Qa'ida, supporting operations in Afghanistan, preventing proliferation of weapons of mass destruction, strengthening oversight of the defense intelligence agencies, defending the nation against cyber threats, improving tradecraft, and professionalizing the workforce. Another major objective, strengthening Defense HUMINT at the national level, led to the recent establishment of the Defense Clandestine Service within DIA.

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Relationships with ODNI

The under secretary's role has clearly evolved and matured over time, as has his relationship with DNI. Determining the appropriate balance of authorities between the two organizations has been and continues to be a challenge. Early on, the ODNI took the position that it was responsible for national intelligence, which includes domestic intelligence, foreign intelligence, and military intelligence. DoD leaders countered that the secretary of defense, not the DNI, was responsible for military intelligence. However, it is a testament to leaders in the Pentagon and in ODNI that, over time, the DNI came not only to recognize the role and influence of the USD(I) but also to view him as a true partner.

Even with a solid partnership, the two organizations did not always agree on every issue. Sometimes the DNI exercised an authority or responsibility (under IRTPA) taking an action that DoD saw as conflicting with its own interests, which created some friction.

On balance, though, there has been more cooperation than conflict. Indeed, this level of cooperation has strengthened defense intelligence in terms of shared investment between the NIP and MIP for collection systems, analysis, and training and education that serve both DoD and national customers. This for the most part is now done jointly. By establishing a strong OUSD(I) organization, officials created the foundation of a good partnership.

Looking Ahead

Though leaders readily concede that more work remains, the original vision for OUSD(I) has, to a significant extent, been realized. The office has given the intelligence function greater attention and importance within DoD, and the influence of OUSD(I) has grown significantly both within defense intelligence and the larger intelligence community.

The challenges that remain include a new, constrained resource environment. After a decade of historically high expenditures on intelligence gathering operations, total spending began a steady decline. ODNI reported that total spending dropped from $54.6 billion in FY 2011 to $53.9 (-1.35 percent) in FY 2012. The MIP budget dropped from $24 billion to $21.5 billion (-10.5 percent) during the same period.

In a November 2011 interview with Bloomberg News, DNI Clapper warned, "We're going to have less capability in 10 years than we have today." The 16 departments, agencies, and offices that make up the US IC spent a combined $80 billion a year. The challenge now is to find ways to optimize the existing intelligence capability even in the face of reduced resources and ensure that the IC can still perform its essential function, using the available funds so as to get the best possible effects.[a]

That said, fiscal constraints can also provide opportunities for change. Officials might at times be able to manage and oversee large entities within the IC with smaller

[a] "U.S. Cuts Risk Holes in Global Spying Operations," UPI.com, 1 Nov 2012.

A 2008 report by the Center for Strategic and International Studies concluded that the need for an OUSD(I)-type organization had been "broadly recognized and accepted" within DoD.

staffs, creating greater efficiencies. The current fiscal environment presents an opportunity to terminate programs that were marginal performers and invest the savings in the future.

In addition to fiscal constraints, there remains the more fundamental ongoing challenge of continuing to improve information sharing and collaboration. Cambone and his successors had some success in moving defense intelligence from "need to know" to "need to share," prompting greater information sharing and collaboration. In commemorating the OUSD(I)'s 10th anniversary, Secretary of Defense Leon Panetta pointed to change in the stove-piped nature of service intelligence and a revolution in intelligence sharing and collaboration in the past decade.

Despite some successes, however, the same critical questions remain: How rapidly can we share our information or can others access it? Do we have access to everything that we should legitimately have access to? Are we adequately connected technologically? The challenges, said one official, are ones of policy and a general reluctance to share everything with everyone. The standard shifted from "need to know" to "need to share" and then "need to have access," making the challenge even greater.

In Sum

A 2008 report by the Center for Strategic and International Studies concluded that the need for an OUSD(I)-type organization had been "broadly recognized and accepted" within DoD. OUSD(I)'s main functions had remained consistent despite changes in its leadership and organization and it had "successfully advanced its top objective of enhancing intelligence support to the warfighter."

The report pointed to the JIOCs as one of OUSD(I)'s primary achievements and noted that the office had been critical to the development of space policy and the advice of wide-area and joint-persistent surveillance programs. OUSD(I), the report added, in addition to its oversight and coordination responsibilities, continued to play an important role in articulating and advocating policy.

Finally, OUSD(I) had made progress in rationalizing and improving programming and budgeting through the MIP structure established in 2005. The creation of the USD(I), the report concluded, had "increased the unity and effectiveness" of the defense IC and its associated programs and helped improve the relationship between DoD and the national IC. More important, it had increased appreciation for and attention to the distinct requirements for intelligence support to the warfighter.[a]

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[a] Center for Strategic and International Studies, *Transitioning Defense Organizational Initiatives: An Assessment of Key 2001–2008 Defense Reforms*, Dec 2008, 23–25.