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OLC RECORD COPY

OLC #78-1971/1
24 May 1978

Budget

MEMORANDUM FOR THE RECORD

SUBJECT: Senate Select Committee on Intelligence Hearing on FY 1978 Reprogramming and FY 1979 Budget Amendment Concerning the Reorganization of the Intelligence Community Staff

1. (U) On Wednesday, 24 May 1978, the Budget Authorization Subcommittee of the Senate Select Committee on Intelligence (SSCI) met to hear the Director on the matter of FY 1978 reprogramming and FY 1979 budget amendment concerning the reorganization of the Intelligence Community (IC) Staff. Security was provided by the Committee. A transcript was taken of the hearing. Witnesses were not sworn. The hearing started at 10:00 a.m. and concluded at 11:15 p.m.

2. (U) Members present included:

William D. Hathaway (D., Maine), Chairman

Malcolm Wallop (R., Wyo.)

3. (U) Staff members present included: Dan Childs, George Pickett, Hal Ford, David Bushong, and approximately six others. 25X1

25X1

4. (U) The Director was the principal witness. [redacted] D/DCI/RM, and General [redacted] D/DCI/CT, assisted him and Mr. Steven Potts, Department of Defense, was called on to answer questions. Additional attendees were as indicated on the attached witness list. 25X1

5. (S) The following items of interest were noted:

a. The Director presented his briefing which described and explained the reorganization of the IC Staff and the Collection Tasking Staff and the Resource Management Staff. During his briefing he indicated that there was a need for a general and a legislative counsel activity to handle Intelligence Community matters, but that these personnel would be offshoots of the Office of Legislative Counsel and the Office of General Counsel of CIA.

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b. Chairman Hathaway asked where the additional positions being added to the IC Staff were coming from and what activities were being reduced. The Director responded by saying he was basically picking up a few positions from various locations in the CIA. Mr. Potts responded for the Department of Defense saying the precise areas from whence positions would be taken had not yet been identified but that this would be done as part of the 1978 budget exercise. The Chairman said don't we need to know that now, and again repeated his question. Mr. Potts responded that he could not give a precise answer but would supply something for the record.

c. Chairman Hathaway asked how the Community performance would improve under this reorganization, and the Director responded by describing improvements in the coordination of collection tasking and in the carrying out of new budget responsibilities. 25X1

d. Chairman Hathaway asked the Director if he had considered other alternative reorganization plans. The Director responded saying that he and [redacted] and [redacted] had looked at a number of ways of reorganizing and had decided this was the most appropriate. 25X1

e. Chairman Hathaway asked about the need for three evaluation units, and the Director explained what the different functions would be for each of the units in the National Foreign Assessment Center, the Collection Tasking Staff, and the Resource Management Staff. The Chairman asked if these units could not be merged, and the Director responded that they could be, but it would not result in a savings in personnel and might conceivably be less efficient in the long run. The Chairman asked if these units might be performing overlapping functions. The Director indicated that there would be some overlap, but it would be desirable. He also indicated that there would also be non-Government people invited into the process from time to time to help in the development of intelligence studies.

f. Chairman Hathaway asked how the National Intelligence Tasking Center would interface with existing Community functions. The Director responded saying that the NITC would be colocated with the combined collection facility of the Department of Defense, and that this would provide for an interface between tactical and national intelligence tasking.

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g. Chairman Hathaway asked if there were any plans for further expansion of the IC Staff beyond what was being requested. The Director responded saying he did not plan any further expansion, but that at this point he could not be absolutely certain as to how many people would be needed and would have to wait and see whether the numbers currently being requested were right.

h. Chairman Hathaway asked the Director to indicate what the Committee might look to in evaluating this new staff concept, and the Director responded saying that next year the Committee should look to the progress the Collection Tasking Staff had made in developing collection plans and the progress the Resource Management Staff would make in presenting better budget justifications.

i. Chairman Hathaway asked the Director to confirm that this reorganization would not require any additional funds. [redacted] responded saying that the reorganization would not require additional funds but that the Director would hope to have some flexibility in terms of where the reprogramming changes might take place. [redacted] indicated that the original plan might require some minor adjustment if circumstances indicated more efficient uses of resources. The Chairman asked that an impact statement be provided, and [redacted] agreed to do so. 25X1 25X1 25X1

j. Senator Wallop asked the Director to assure that he would monitor the future size and budget of the new Community organization. The Director responded that he would, that he would cut overhead at CIA in order to increase operations, and that he had no desire to have any unnecessary management. However, he said this reorganization plan was called for by the charter legislation. It was needed if he was to have the mechanism to coordinate the Community. Senator Wallop asked how much control this organization would have over the component agencies. [redacted] reported that it would have control over reprogrammings and such control as was necessary to implement DCI and Congressional budget policy. [redacted] indicated that detailed day-to-day management control would not rest with the IC Staff. Senator Wallop asked how much new work this analyis staff would create for the component agencies and [redacted] responded that there would be no substantial additional workload at the management level. However, there would be some additional financial breakouts required in order to assist in the budget management process. Senator Wallop asked if the component agencies had been consulted on this reorganization and [redacted] responded affirmatively. 25X1 25X1 25X1

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k. Senator Wallop and the Director then had a discussion on the manner in which intelligence analysts would relate to both the NITC and the collection tasking committees. The Director explained that while the NITC would grow in its role, he had no intention of prohibiting analysts from dealing directly with the functional tasking committees. Chairman Hathaway at one point asked if all analysts would be required to go to the NITC in the future and the Director responded that they would probably not have to do so. He indicated that he wished to maintain as much flexibility as possible in these matters. Senator Wallop then asked if this plan was the result of a study the Director had made and the Director responded that it was based on his experience over the past year and a half. 25X1

l. Chairman Hathaway asked what the reorganization would be doing to improve counterintelligence. The Director responded that the Resource Management Staff would be looking at counter-intelligence in its budget role. He explained that under the new Executive Order the Special Coordinating Committee of the NSC was responsible for overall management of counterintelligence. Chairman Hathaway asked about the role of the HUMINT Committee in counterintelligence and both [redacted] and [redacted] replied 25X1 indicating that the HUMINT Committee would continue to have a role in the management and guidance of counterintelligence assets. 25X1 [redacted] said that he had planned to have one man assigned to this function but was thinking that he might need a second person. The Director then indicated that the CIA counterintelligence chief was about to retire and [redacted] would be replacing him. 25X1 Chairman Hathaway asked what Mr. Brzezinski's role would be in counterintelligence and the Director replied that he would be responsible for managing the overall Government effort and would not get down into daily operating details. At one point in the conversation the Director indicated that the placement of manage-ment responsibility for counterintelligence was a problem because of the close affinity of counterintelligence to law enforcement and that the decision to give this role to the NSC was, in effect, a compromise.

25X1

m. Chairman Hathaway asked whether there were any other personnel involved in the Intelligence Committee Staff and the Director responded that there were [redacted] people on non-reimbursible details but that [redacted] of them were about to leave and would not be replaced. The Chairman then asked if there were any other personal service contracts and [redacted] responded with the details. Chairman Hathaway then asked if it would not be better to have a ceiling for non-reimbursible details and [redacted] responded affirmatively. The Chairman then said if we gave you [redacted] for present authority would that do and [redacted] said yes.

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6. (U) Chairman Hathaway ended the meeting by saying that he had no problem with the concept of the reprogramming.

[redacted] 25X1

Office of Legislative Counsel

Attachment:
Witness list as stated

Distribution:
Orig - OLC Subj
1 - D/DCI/RM
1 - D/DCI/CT
1 - [redacted] 25X1
1 -
1 -
1 -
1 - OLC Chrono
OLC/ELS/mg (5 June 78)

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WITNESS LIST

Stansfield Turner	Director of Central Intelligence
ACCOMPANIED BY:	
[redacted]	25X1
	Deputy to the DCI for the Intelligence Community. (Designated Deputy to the DCI for Resource Management)
	Special Assistant to the DCI (Designated Deputy to the DCI for Collection Tasking)
	Chief, Support Staff, Intelligence Community Staff
	25X1
	Budget and Fiscal Officer, Intelligence Community Staff
	Special Assistant to [redacted] (Designated Associate Deputy to the DCI for Collection Tasking) 25X1
	Special Assistant to [redacted] (Designated Director, Office of Collection Evaluation)
	Acting Legislative Counsel, Office of the Director of Central Intelligence
	Associate Legislative Counsel, Office of the Director of Central Intelligence
Steven Potts	Department of Defense Representative

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