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DDI-05403/84

INTELLIGENCE PRODUCERS COUNCIL

20 SEP 1984

NOTE FOR: [redacted] 25X1
Deputy Director of Operations
National Security Agency

FROM: Richard J. Kerr
Chairman
Intelligence Producers Council

SUBJECT: Core Intelligence Capability

1. On 13 September I met with [redacted] to discuss the way we will have to respond to an SSCI directive to the DCI to establish a core intelligence capability. [redacted] 25X1 25X1

2. The attached material provides the background and our plan. When you have had a chance to look over the material, I would like to discuss with you whether there is a place for NSA in all of this. [redacted] 25X1 25X1

[redacted]

Richard J. Kerr

Attachment:
As stated

Regrade to CONFIDENTIAL on
Removal of Attachment.

[redacted] 25X1

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SUBJECT: Core Intelligence Capability

Distribution:
1 - ADDI
1 - DDI Registry
1 - IPC Staff (Chrono)
1 - IPC Staff (Subject)
1 - IPC Staff [redacted] 25X1
DDI/IPCStaff [redacted] (14 September 1984) 25X1

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Core Intelligence Capability

Retyped from Page 18 of SSCI Report

The DCI requests an increase of more than personnel in FY 1985 to support expanded analysis and production and related support activities. This request continues the significant expansion of analytic manpower begun in 1979. However, despite major manpower increases authorized in the past for analysis and production, data provided to the Committee indicates that relatively few of the 166 countires listed in DCID 1/2 as being of interest to U.S. intelligence, receive adequate analytic attention. There is reason to believe that the absence of such analytic research is a factor in the inability of the Community to develop a comprehensive worldwide intelligence data base needed to provide surge and contingency support. 25X1

Accordingly, the Committee directs the DCI to develop a program to establish a "core" level of analytic effort against each country listed in DCID 1/2 and provide implementation plans to the Committee no later than September 30, 1984. This plan should address the full range of intelligence requirements listed in DCID 1/2 and assess if full time political, economic, and military analysts are required on a country by country basis. Further, the plan should identify those "core" analysis positions requiring a language proficiency. The DCI shall designate, from among the total positions authorized for analysis and production in fiscal year 1985, a sufficient number of positions to provide the "core" level of analysis identified in this plan. With the exception of positions specifically allocated by this report* to foreign counterintelligence analysis and the intelligence activities of the Department of Energy and Treasury, none of the funds authorized for increased civilian positions for analysis and production for fiscal year 1985, may be obligated until such time as the DCI submits his plan to the Committee and the Committee approves that plan, as confirmed by a letter from the Chairman and Vice Chairman.

*Those positions exempted are FBI Foreign Counterintelligence, the Department of Energy and the Department of Treasury.

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DDI# 4255/84
28 JUL 1984

MEMORANDUM FOR: The Honorable Barry M. Goldwater
Chairman, Senate Select Committee on Intelligence

SUBJECT : Building a "Core Intelligence Capability"

REFERENCE : SSCI Report on FY 1985 NFIP Budget

1. In response to your comments, as conveyed by Senator Wallop, on the need to assign analytical resources realistically and effectively, I share your concern that the Intelligence Community make every effort to provide the necessary coverage over the entire range of countries, regions, and topics of interest to the United States. As you are well aware, there are certain resource limitations which prevent the depth of analyst assignments that we might prefer under other circumstances. Nevertheless, I feel that within these limitations we are steadily developing the intelligence base needed by our customers. The attached report shows how this is being done.

2. I hasten to add that we are certainly thin in covering some countries which are currently viewed to be of low priority, and that some of these countries could quickly become crisis areas. So there is room for improvement. I have proposed some changes which will, to the best of our ability, help anticipate these occurrences.

3. I hope that this response will satisfy your present concern.

/S/

William J. Casey

All portions classified SECRET

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24 July 1984

Plan to Establish a Core Intelligence Capability

I share the concerns expressed by the Committee and strongly support the goal of enhancing our worldwide intelligence capability. I agree with the Committee's broad definition of a "core intelligence capability" -- that is, one that encompasses political, economic, military, and special topics, and includes attention to those parts of the Third World that presently are quiet, but which could quickly become areas of crisis requiring direct or indirect US involvement.

-- For example, in the last few years we have seen situations develop -- in Iran, Afghanistan, the Falklands, and Grenada -- where relatively quiet areas became hotspots in a short space of time.

In response to your concern, please be assured that we have been, and continue to direct our resources and planning to achieve my goal to have a body of capable analysts supported by a credible worldwide database. In method, I submit that a regional approach of analyst assignment for most Third World countries is the preferable option to one based on a country-by-country assignment. This approach permits greater flexibility in studying problems which are becoming more often regional in scope. Similarly, this approach permits an analyst to be moved to manage a crisis more easily. When a problem of the dimensions of Central America emerges, we do form task forces of our resident experts to ensure that we can fully support a wide range of urgent National policy decisions.

To ensure that we are aligned with your desires, I am directing the Intelligence Producers Council to conduct a systematic examination of analyst capabilities, including language requirements, against existing and anticipated intelligence requirements. I expect to have this report by early next year and shall share the results with you. These findings shall provide a basis for subsequent resource planning.

There are several sources of intelligence requirements to which we must be responsive. Your reference to DCID 1/2 is relevant. However, even more essential direction from the policymakers is contained in the National Intelligence Topics of Current Interests (NITs). We must, therefore, build a "core intelligence capability" in terms of both information and analytical expertise that is sufficient to address the full range of issues contained in the (NITs) while being attentive to the requirements reflected in DCID 1/2. Within the past two years the Intelligence Producers Council, at my direction, has taken steps to revitalize the NIT process and make it a dynamic forum

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for communicating important intelligence needs from the consumers to the producers. Part of this process is regular reporting to the consumers on how well the Community is responding to these needs and on significant information gaps for specific collection action. As a result, the DCID 1/2 has become a more general reference tool that provides detailed presentation of the relative emphasis being given to the various category and country issues by the intelligence producers, and general guidance for the collection program managers.

We in the Intelligence Community have, of course, given considerable thought to our requirements on a continuing basis. I would like to review for you some of the major initiatives we have undertaken in recent years to work toward building a "core intelligence capability" that can meet these tasks. These initiatives address four principal areas of concern:

-- the building and allocation of analytical resources;

-- increased efforts to develop worldwide data bases;

-- introduction of additional high-technology Automated Data Processing (ADP) equipment and techniques; and

-- measures to foster the development of enhanced analytical expertise through travel, training -- including language training -- and improved working conditions.

Allocating Resources

As the Committee is aware, Intelligence Community resources were cut back severely in the 1970s. Over the past several years we have been moving steadily -- with the support of Congress -- to build a comprehensive knowledge base -- "core intelligence capability."

This has been a careful process and each year the Community components have:

-- reexamined intelligence requirements (as prioritized in the NITs and in DCID 1/2),

-- reviewed their capabilities,

-- identified the most pressing shortfalls,

-- and proposed new initiatives to redress those shortfalls.

We have made considerable headway during the last few years. The following chart shows where we stand today in terms of requests for community-wide analytical resources:

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-- At CIA the major ADP initiative is the introduction of the SAFE system of support for analysts. SAFE provides for the automated routing of incoming messages, on-line filing of data, and a strong information retrieval capability. An analyst with SAFE thus has immediate access to a much greater volume of data than heretofore. Nearly 500 CIA analysts now have SAFE terminals at their desks, and this is already paying dividends in terms of finished intelligence production.

-- Core SAFE capability is being expanded to provide analysts with a number of additional capabilities as the program moves through the decade. Starting in 1985, analysts will be able to read current cables, search against data bases of previously stored cable traffic, compose and coordinate draft intelligence reports, and perform a variety of related functions within the SAFE environment. Looking beyond 1985, CIA will seek additional resources to:

  -- Expand access to SAFE.

  -- Equip more analysts and analytic support personnel with terminals and associated devices.

  -- Integrate country-specific requirements for all collection systems into a single database.

-- The SAFE system is being developed and implemented jointly with DIA. In addition to the above SAFE functions, DIA is developing the Integrated Data Base (IDB) on SAFE [redacted] 25X1 25X1 [redacted] 25X1 These subsets will be incorproated with the local data bases maintained at various echelons in the field. Implementation of this reference data base architecture, known as the Military Intelligence Support Systems (MISS), will follow an incremental approach, starting with the establishment of the IDB on SAFE.

-- In March 1984 the INR information handling system reached Initial Operational Capability (IOC). The system provides electronic dissemination of intelligence information to INR analysts based on user profiles.

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Terminals supporting this system are multi-purpose, i.e., they can access the INR system as well as the Department's Central System. INR analysts currently have access to Intelligence Community data bases on the COINS network.

-- In May 1984 INR contracted with the Planning Research Corporation to study INR's information handling requirements through the 1990s. The study is to be conducted in three phases: Phase 1 is to redefine INR analyst requirements and develop a model INR system; Phase 2 will address system analysis and recommended action; and Phase 3 will identify impacts and develop a transition document. This study, when completed, should provide INR with a development plan which will bring its information handling capabilities into line with those in the rest of the Intelligence Community.

Other Enhancement Initiatives

It would be impractical in a single memorandum to detail the great variety of other initiatives that we are taking in the Community to foster the development of an appropriate "core intelligence capability." I would like to highlight, however, some of the major programs that contribute toward this goal.

-- Language Training. The Committee is correct in focusing on the language capabilities issue. Such expertise clearly deepens the understanding our analysts have of foreign cultures. At CIA, we have a Language Incentive Program which pays a financial bonus to those who improve and maintain their language capabilities. There is also a Defense Advanced Language and Area Studies Program that targets especially-difficult-to-obtain Third World language capabilities. INR benefits from the extensive language training programs of the Foreign Service Institute. We currently have Community analysts with reading, and/or speaking skills in [redacted] languages and dialects. 25X1

-- External Analysis. This is an area that has also been reinforced strongly in recent years. We benefit from such contracts both in terms of filling gaps in our knowledge of the world from experts outside of government -- some of whom have lived for many years in a particular foreign country -- and also in terms of giving our analysts direct access to professionals with reputations for excellence in their fields.

Further Measures Planned

The Intelligence Community will continue to move ahead systematically with these efforts to develop and enhance our "core capability". In addition, we intend to carry out the following two-part plan:

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Part I

I will ask the Intelligence Producers Council to review on a regular basis how well the various countries and regions of the world, as well as international issues, are being covered by available analytic resources. Particular attention will be given to potentially volatile situations or crisis areas which might not normally be considered high priority targets. The IPC will report to me on the results of its initial review, by early 1985, and will advise me thereafter when adjustments appear necessary, or when additional analysts are needed to provide adequate coverage. I will share this information with the Congressional Intelligence Oversight Committees. Any new resource requests growing out of these reports will be made part of the regular budget process managed by the Intelligence Community Staff [redacted]. The annual National Intelligence Topics, the attachment to DCID 1/2, and other sources of requirements and priorities will serve as the basis for these reviews. 25X1

Part II

The Executive Director, CIA, has already directed component managers within the CIA to carry out a study to ensure that we can react rapidly and effectively to crises or contingency situations in areas not routinely covered in-depth by the Intellience Community.

This study will:

-- Identify improvements that would lead to a more rapid and effective surge capability in crisis situations.

-- Determine which of these improvements should be addressed at the Community level and which we should handle at the Agency level.

I have directed that internal CIA improvements be carried out as soon as practical and will recommend similar Community action to the National Foreign Intelligence Council.

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Core Intelligence Capability Guidelines for Review of Analytic Resources and Capabilities Against Target Countries and Topics

25X1

1. Background. The Senate Select Committee on Intelligence (SSCI) directed the DCI to develop a program to establish a "core level" of analytic effort against each country listed in DCID 1/2 (SSCI Report on FY1985 NFIP). The DCI responded by advising the Chairman, SSCI, of his intention, inter alia, to have the Intelligence Producers Council review on a regular basis how well the various countries and regions of the world, as well as international issues, are being covered by analytic resources (DCI memo to Chairman, SSCI, 28 July 1984).

25X1

2. IPC Objective. In general, the IPC is to assess the analytic resources and capabilities, including language requirements, assigned against existing and anticipated intelligence requirements, specifically against target countries and global topics. The review will be accomplished on a regular basis and the findings and recommendations reported to the Director of Central Intelligence. (This effort should represent, in part, an appraisal of the Community's performance against the "1985 Capabilities Study.")

25X1

3. Procedures. The following points comprise the major procedural considerations to meet the objective.

a. **Appointment of a Study Director.** A study director is necessary to direct all review activities, direct the preparation of interim and final reports, and ensure the coordination of findings and recommendations. The Study Director shall also be prepared to pursue related tasks that develop during the course of this review which will support the accomplishment of the objective.

b. **Determination of the size and composition of the study group (including IPC Staff participation).** The study group should be composed of teams, representing

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the participating organizations, to address the various elements of the study. The study director should have a core staff to coordinate research, report editing and collation, and to manage administrative details.

c. **An Executive Review Group,** comprised of senior intelligence production managers, should be constituted to oversee the direction and progress of this task. This body may be the IPC.

d. **Preparation of terms of reference.** The terms of reference, to be developed by the Study Director, with the concurrence of the IPC, should incorporate both long- and short-term objectives, the method of approach, and address the implications of the study process itself on future reviews.

e. **Identification of major problem areas and alternate courses of action.** It is incumbent upon the study director and group, as well as the IPC, to identify major problems associated with either the management of analytic resources or with assessments of skill levels or skill mixes.

f. **Preparation of an interim and final report for the DCI.** The DCI is obligated to advise the Congressional Oversight Committees of the state of the Intelligence Community's analytic resources and capabilities. In anticipation of a requirement to address this topic at one or more budget hearings, an interim report is essential to apprise the DCI and the program managers of the progress of the study. Briefs or informal correspondence with the DCI should be expected.

g. **Coordination of resource-related matters with the Director, IC Staff.** As a result of this study, any recommendations or findings having manning/budget implications must be brought to attention of the D/ICS.

h. **Determination of the frequency of reviews.** As a result of this study, the IPC should recommend to the DCI the frequency of reviews to satisfy Congressional interest (e.g., annual, biennial, triennial).

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i. **Determination of the optimum means to collect and evaluate information.** The Study Director must establish the mechanism for acquiring, displaying, collating, and evaluating information obtained in the course of this study. One consideration is a combination of surveys and interviews. 25X1

4. Key Points for Study Group Guidance. As a minimum, the following points should be considered by the Study Group and incorporated in the terms of reference.

a. Establishment of qualitative and quantitative measures for assessing the effectiveness of analytic resources against the entire range of geographic and topical targets. (How good are the analysts—experience level, training acquired, demonstrated performance? Are there enough of the right kind? Is the target adequately covered? What is the relationship of analysts to intelligence requirements priorities?)

b. Definition of analyst. (Who is included? Excluded?)

c. Determination of the "core." (What constitutes the core? How is the core established? What are the shortcomings?)

d. Determination of a language skill. (In view of the stress on improving language skills, what are the effects of language training on analyst skills, productivity, career development? What is the cost-benefit relationship?)

e. Evaluation of how, and how effectively, analytic resources are shifted to "hot spot" targets. (How flexible are analysts? What is the effect on research areas when analysts are moved away? What are the effects of a task force or surge--for old and new research areas?)

f. Consideration of the importance or relationship of the analyst with available data bases. (How well is the analyst trained to use automated or manual data bases? What are the shortcomings or trends associated with new, more flexible data bases and terminals? How well do automated data bases help the analyst?)

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g. Examination of training on analytic skills. (How well do organizational training programs serve the analyst? How useful are the many analytical methodologies for the analyst?)

h. Examination of the effects of promotions, major career shifts, and normal attrition on the stability of analytic expertise on a target country or topic. (How well is a target covered? Do shifts into one area tend to offset analysts moves out of that area?)

i. Examination of the Community's management approach or philosophy to determine the rationale for allocation of analytic resources. (Is there a current of turbulence or uncertainty among analysts? What drives the growth or decline among analytic components?)

j. Identification of trends. (What trends or implications are evident from an all-encompassing examination of this kind? Does it lead to optimism for the Community's management and planning? What other areas need to be examined?)

k. Recommendations. (What important considerations should be brought to the attention of the DCI? What changes need to be made as a Community?) [redacted] 25X1

5. Participation. DIA, CIA, and State/INR should have the primary responsibility for this project. Participation should include the Services, U&S commands [redacted] 25X1 [redacted] Coordination should be accomplished with the Director and interested 25X1 components of the IC Staff. [redacted] 25X1

6. Milestones.

a.	By 15 October 1984:	Constitute Study Group and Develop Terms of Reference
b.	By 15 January 1985:	Complete Survey and Measurements. Prepare Interim Report to DCI.
c.	By 1 March 1985:	Complete Compilation of Data and Evaluation of Results.

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d.	By 30 March 1985:	Prepare Final Report and Obtain IPC Concurrence.
e.	By 15 April 1985:	Deliver Report to DCI. [redacted] 25X1

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