

TAB A

144 FEB 1980

Testimony Before the Subcommittee on International Security
and Scientific Affairs
of the
Committee on Foreign Affairs
House of Representatives

Mr. Chairman:

I am grateful for the opportunity to appear before this Committee and to assist in its inquiry into a subject of great national importance. The provision of intelligence required in the policy process is a task of great difficulty and its complexities are not well understood. I hope the Committee's findings will help us to do it better in the future.

As Chairman of the National Intelligence Council, I am responsible for the production of National Intelligence Estimates and other forms of intelligence in support of the policy process at the National Security Council Level. My remarks today will be primarily focused on the Estimates as the most important formal product of the Intelligence Community. I will address first the nature of Estimates; second, the process by which they are produced; and third, how we are seeking to improve them.

National Estimates are produced by the DCI. They may be prepared on request of a senior policy officer who is concerned about the trend of events in a particular situation; an example would be a paper on current Soviet objectives vis-a-vis Afghanistan and Iran. Some are scheduled on an annual basis and are tied directly to a periodic policy process such as that of the budget; an example here would be our annual Estimate on Soviet strategic programs. Lastly, others are done because we in our staff can foresee a need for better understanding of a problem

Approved for Release
Date 11 6 MAY 1985

that will probably call for policy consideration at a senior level in the next few years; some of our work on energy problems falls in this area.

One essential feature of a National Estimate is that it draws on all of the information and wisdom available to the US government, whether from official sources or private ones, on the subject at issue. A second feature is that it goes beyond the description of a situation to project the course of events into the future. It does not predict, but it outlines a range of possible futures and attempts to assess their relative probability. Obviously, the shorter the time span we project the greater confidence we can give to our assessments. A third feature -- and a very important one -- is that our goal in producing Estimates is not to achieve unanimity. On many questions of great national importance there is a wide range of views. The National Estimate must not suppress dissenting views or water down the differences between them. Rather it must identify those differences that are substantive and important and present them so that the policy officer can understand not only what these views are but why they are held. A final feature is that an Estimate, however great the human effort and however extensive the mass of data that have gone into it, must be clearly presented, concisely written, and above all short enough so that the requester has time to read it.

Turning to the production process, the key figure here is the National Intelligence Officer. The National Intelligence Council consists of eight regular NIOs -- six with specific geographic responsibilities and two responsible respectively for strategic forces and general purpose

forces. In addition there will in time be NIOs-at-Large whose function I will discuss later.

Each NIO is the DCI's senior staff officer for his area. As such, he is responsible for assisting the DCI in his participation in the National Security Council, the Policy Review Committee, and the Special Coordinating Committee. He is also responsible for maintaining close liaison with senior staff of the NSC and the Departments of State and Defense in order to identify the questions arising in the policy process on which intelligence can assist. Equally important, he is important for seeing that intelligence production is in fact responsive. In particular, he oversees the production of National Intelligence Estimates within his field.

Once the need for an Estimate is recognized and the DCI has approved its production, the NIO convenes representatives of the Intelligence Community agencies to prepare terms of reference. He also invites policy officers and, wherever possible, the requester. The purpose of this is to ensure that the terms of reference are in fact responsive to the requirement. I should also note that while we very much want the policy officer to help us define the problem, we believe that that should be his last contact with the process until the paper is completed. To preserve the independence and objectivity of our response, we must maintain this separation.

The NIO then arranges for the Estimate to be drafted. He has the entire Intelligence Community to draw on, and it is standard practice for him to go to the best man for the job that he can find, regardless

of agency. In the case of elaborate papers, especially those on military subjects, the NIO may form several interagency working groups to prepare parts of the paper. In any case, the drafters work under the NIO's supervision rather than the supervision of their parent agency. The agencies do not have to take responsibility for the draft; they get a chance to make their views known at a later stage in the process.

It is normal practice for the NIO to employ a panel of outside consultants to review the paper at various stages, of which the most important is at the point when an initial draft has been prepared.

Once the NIO and his superiors are satisfied with the draft and have taken into account the comments of consultants, the draft is distributed to the various agencies for interagency coordination. As I noted earlier, the purpose of the coordination process is not to develop a bland homogeneous paper in which all differences have been carefully smoothed over or buried. There will be differences that will be resolved in the course of argument. There will be others in which two sides are operating from different information. There will be still others of the half-full or half-empty variety. Is it significant whether something is sharply reduced or severely reduced? Disagreements like these can be resolved. But there will also be real differences of interpretation, of substance, of judgment. The NIO must lead the Community through the process in a way that eliminates the trivial differences and illuminates the important ones. To do this he must ensure that these alternate interpretations are presented in parallel language, with the supporting arguments arrayed so that the reader will understand what the fight is

about and why it matters to him. I should emphasize that we are less concerned with who holds what view than with what the view is; this means that differences among the analysts of a single agency are just as important as differences between agencies.

The final stage in the production of an estimate is its presentation to the National Foreign Intelligence Board. The DCI issues Estimates with the advice of the Board. Each principal of the Board has the right to dissent from the findings of the paper. In practice, this usually means that the Board ratifies a paper that its representatives have already worked out, including any expressions of difference that it may contain. Nevertheless, the principals retain the right -- and often exercise it -- to have their own dissenting views expressed in their own way.

I have described the process as it normally proceeds, but we retain the flexibility to prepare Estimates very rapidly by short-cutting these steps. While the major Soviet strategic Estimate usually takes six months or more to prepare, the shorter special Estimates directly linked to current policy problems can be turned out in a few days. This problem of speed is one that I will return to later.

Finally, I want to discuss some of the changes that we have recently made in the National Estimates machinery. To do this, a bit of history is necessary. Since the early 1950's responsibility for the production of Estimates lay with the Board of National Estimates and with its supporting Estimates Staff. In simplest terms, the staff was responsible for drafting Estimates and the Board, acting as a collegial

body, reviewed them and advised the DCI on their issuance. In 1973, Mr. Colby, feeling that the Board had become too detached from the policy process and that the staff had become too detached from the analysts of the Community, eliminated both and established in their stead the NIOs, as I have described them earlier. Because each NIO was also the Director's personal representative in the policy process, he could see to it that there was a close linkage between that process and intelligence production. Because he had to depend for his drafting assistance on the Community agencies, they were brought back into the Estimates process.

Speaking very generally, the NIO system was more of a success in providing intelligence support to the policymaker than it was in producing National Estimates as such. NIOs, especially those on areas like the Middle East, are extraordinarily busy and events in their areas are fast-moving. This has meant that the Estimates machinery has often not been able to move fast enough to produce the papers that are required before they are overtaken by events. NIOs have instead found less formal ways of making intelligence inputs. Moreover, there has been a trend since the 1960's for intelligence to be woven into policy papers rather than presented separate. Thus the number of National Estimates produced, outside of the military field, has fallen off, although I would say that the input to the policymaker of estimative material (with a small "e") has improved sharply under the NIOs.

Another problem with the NIO system has been that of quality control over Estimates. Whereas the old Board of National Estimates was

a collegium in which papers were subjected to critical review by a group of experienced generalists, the NIOs have operated as individuals answerable only to the DCI. Not only are they busy, but the DCI is of course busier still. There has never been time enough to give papers the kind of review for relevance, organization, coverage, and just plain wisdom that they deserve. Neither the process of interagency coordination nor the use of consultants is any substitute for this kind of review.

When we formed the National Intelligence Council on January 1, our intent was to preserve the best features of the NIO system while seeking to recapture those of its predecessor Board and Staff. I should caution that we are only in the early stages of this venture and it is far too early to judge it. The regular NIOs, their number reduced to the present eight as described earlier, have become the Council, which I chair. We are in the process of adding to their number four generalist NIOs-at-Large, who will not have the quasi-operational staff responsibilities of their colleagues, and whose primary function will be to provide that element of peer review that has been missing. We are developing ways in which the Council can work in a more collegial manner without detracting from the individual responsibilities that some of its members will have for serving the DCI. In other words, the close linkage to policy will continue.

Another change will be the creation of a small staff of highly-experienced analysts available to the NIOs for the quick preparation of wide-ranging analytic papers in support of policy, and especially for

the drafting of National Estimates. This will differ from the earlier Estimates Staff in being firmly rooted in the agencies of the Community, with its personnel drawn from those agencies on rotation. One of the disruptive features of the NIO system was the need for the NIO to negotiate for a drafter whenever an Estimate was required. This slowed down the process, complicated planning for the contributing agencies, and lead to product not of uniformly high quality. By having a dedicated staff, we hope to reduce these problems without departing from the principle that the best analyst, wherever he or she is located in the Community, will be sought out for the job.

Finally, there will be some simplification of the Estimates process itself to make it less muscle-bound.

CIA was directed by the National Security Act of 1947 to "correlate and evaluate intelligence relating to the national security." National Estimates embody that function, which is at least as important today as it appeared in 1947. It is, however, much more difficult in the more complex and fast-moving world of 1980. The changes I have outlined are a response to this world. They will, I hope, enable us to deal more effectively with policy demands in the future.