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(Fourth Revision
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Draft Working Paper

ESTIMATED FOREIGN INTELLIGENCE COSTS

1. Purpose

The purpose of this report is to provide the DCI and the USIB with a medium for a clear and meaningful presentation of intelligence cost data. A format for this purpose has been agreed upon by the USIB Ad Hoc Working Group. It is designed for use with estimated "order of magnitude" costs of those activities which derive from national and/or departmental requirements for intelligence. Additionally, it is intended as a demonstration of how "intelligence money" is apportioned among major intelligence functions. "Foreign intelligence", for the purposes of this report, is intended to mean the foreign intelligence effort of the U. S. which is subject to the coordinating authority of the DCI and the cognizance of the United States Intelligence Board. Finally, a report in this form is intended to serve a purely statistical purpose inasmuch as costs can only be allocated into some of the functional categories by resorting to arbitrary judgments which are subject to varying degrees of error.

2. Financial Considerations

The report will include two basic types of cost data on an obligation basis:

a. Direct obligations: Those obligations actually incurred by an intelligence command, bureau or element thereof, or any comparable intelligence organization which actually performs the intelligence activity involved, receives direct funding and can identify the obligation with the intelligence activity involved. In essence, such obligations are those under the

direct control of an intelligence organization (CIA and NSA) or an intelligence element of a larger organization such as AF Security Service/Air Force; ACSI/Army; G-2, USAREUR; INR/State; etc.

b. Indirect obligations: those obligations which appear in non-intelligence commands, bureaus, services, or other comparable organizations as a part of their own budget operations but can be identified as being in direct support of an intelligence activity, e.g., R&D projects performed for foreign intelligence purposes.

3. Procedures

Foreign intelligence cost estimates will be prepared by all member agencies of the United States Intelligence Board who are engaged in the conduct of foreign intelligence activities.

The cost estimates will be developed on the basis of actual obligations incurred during the fiscal year ending 30 June and prepared for submission to the United States Intelligence Board by 30 September of the following fiscal year.

The Costs Estimates Committee of the United States Intelligence Board will be responsible for coordinating the preparation of the Board's annual statistical report on foreign intelligence costs and the preparation of any other reports involving intelligence costs which may be required by the Board.

After approval by the United States Intelligence Board, the Board's annual statistical report on estimated foreign intelligence costs will be submitted by the Director of Central Intelligence to the President's Board of Consultants on Foreign Intelligence Activities and to the Bureau of the Budget.

4. The following provides the instructions and definitions for preparing estimated foreign intelligence cost data:

INSTRUCTIONS FOR PREPARATION OF ESTIMATED FOREIGN INTELLIGENCE COSTS

A. Activities Involved

1. Collection and Technical Processing includes all intelligence activities required for the collection of raw information and its technical processing to put the collected material in shape for use by those intelligence elements engaged in the production of finished intelligence.

a. COMINT includes all collection and technical processing activities conducted under the pertinent provisions of National Security Council Intelligence Directive (NSCID) No. 6.

b. ELINT includes all collection and technical processing activities conducted under the pertinent provisions of NSCID No. 6.

c. RADINT includes all collection and technical processing activities required to obtain information from reflected pulses of radio frequency energy.

d. ESPIONAGE includes all collection activities conducted under the provisions of NSCID No. 5.

e. OTHER COVERT COLLECTION includes any covert collection activities not covered by the provisions of NSCIDs No. 5 or No. 6. Any activities included under this general title will be adequately described in a footnote or, if security consideration requires it, identified by reference to the basic directive by which they are authorized.

f. FOREIGN SERVICE AND ATTACHES includes the over-all cost of the military attache system and that proportion of State's overseas Foreign Service costs that can reasonably be attributed to the collection and reporting of political, economic, cultural, sociological, scientific and technical, and biographic intelligence to meet State's own departmental needs for intelligence and its assigned responsibilities for "services of common concern." Collection activities of the Foreign Service and Military attaches are covered by the provisions of NSCID No. 2.

g. OTHER OVERT COLLECTION includes any overt collection activities not shown in l.f. above. Activities listed under this general heading will be adequately described in a footnote.

2. Production and Dissemination includes the cost of all activities conducted by an agency or its contractors to produce and disseminate finished intelligence through the evaluation, analysis, integration and interpretation of the products resulting from the "collection and technical processing" activities listed in paragraph 1.

**a. ARMY INTELLIGENCE includes the production and dissemination of finished intelligence on such matters as organization, equipping order of battle, and logistics of foreign ground forces. In general,

**The three military services plan to include, under the generic term of Army, Naval or Air Force Intelligence respectively, all estimated costs of their production of other types of finished intelligence, i.e., economic, political and sociological, scientific and technical, and geographic.

it includes that finished intelligence for which the Army has the primary production responsibility under the provisions of NSCID No. 3.

**b. NAVAL INTELLIGENCE includes the production and dissemination of finished intelligence on such matters as organization, equipping, order of battle and logistics of foreign naval forces. In general, it includes that finished intelligence for which the Navy has the primary production responsibility under the provisions of NSCID No. 3.

**c. AIR INTELLIGENCE includes the production and dissemination of finished intelligence on such matters as organization, equipping, order of battle and logistics of foreign air forces. In general, it includes that finished intelligence for which the Air Force has primary production responsibility under the provisions of NSCID No. 3.

d. J-2 CURRENT INTELLIGENCE includes that intelligence of all types and forms of immediate interest which is prepared by the J-2 Intelligence Directorate of the Joint Staff and usually disseminated without the delays incident to complete evaluation or interpretation.

e. JOINT INTELLIGENCE is a special category of inter-departmental intelligence produced and disseminated in the performance of the assigned missions of the Joint Chiefs of Staff. In general, it includes that type of finished intelligence for which the Director for Intelligence, the Joint Staff (JCS) has primary production responsibility under the provisions of NSCID No. 3.

** Same as footnote on page 4.

f. POLITICAL AND SOCIOLOGICAL INTELLIGENCE includes the production and dissemination of that finished intelligence for which the State Department has the primary production responsibility under the provisions of NSCID No. 3. The following subsidiary types of intelligence production will also be included under this heading: cultural and psychological; the latter including, first, intelligence on other government's plans, programs, and media for waging psychological warfare and, second, foreign public opinion polls and studies of the susceptibilities of foreign populations to psychological warfare.

g. ECONOMIC INTELLIGENCE includes the production and dissemination of finished intelligence concerning the potentialities, utilization, and vulnerabilities of a foreign nations' natural and human resources. It includes such subjects as raw materials, manufacturing (including weapons), services, transportation, communications, trade and finance. In general, it includes that finished intelligence for which the State Department and CIA have primary intelligence production responsibility under the provisions of NSCID No. 3.

h. SCIENTIFIC AND TECHNICAL INTELLIGENCE includes the production and dissemination of finished intelligence on:

- (1) The progress of foreign scientific research and development, and achievements resulting therefrom, as it affects the military or economic potential of a nation.

(2) Technical devices, equipment, and specific processes applicable to foreign structures, equipment, or weapons, in being, in production, or under development.

(3) In general, that scientific and technical intelligence for which CIA has primary production responsibility under the provisions of NSCID No. 3.

1. GEOGRAPHIC INTELLIGENCE includes the production, dissemination and cartographic preparation of intelligence on the natural features, i.e., land, sea, and weather of foreign areas. (To the extent that such costs are identifiable, such should be separately shown.)

3. Auxiliary Activities - Activities will be listed here when their cost cannot be included as an integral part of the cost estimates covering the activities shown in sections 1 and 2 of the format. In general, it is contemplated that the following types of activity conducted in support of collection and technical processing, production and dissemination, or both, will be included as an integral part of the over-all cost of the items shown in sections 1 and 2 of the format, with a footnote indicating that such action has been taken. However, to the extent that a reporting department or agency does not consider it feasible to allocate such costs in this fashion, they will be shown as separate items under the Auxiliary Activities groupings:

a. ADMINISTRATION, SUPERVISION AND COORDINATION includes those administrative overhead functions reasonably assignable to a department's or an agency's foreign intelligence effort.

b. COMMUNICATIONS includes all direct and indirect, commercial and governmental communications provided for the support of the foreign intelligence activities.

c. SECURITY includes those physical and personnel security measures directly related to the intelligence activities covered in the report.

d. TRAINING includes the direct and indirect cost of training activities conducted in whole or in part for the support of the foreign intelligence activities listed elsewhere in this report. Where only a portion of a training facility is devoted to supporting intelligence activities, the over-all cost should be apportioned as appropriate.

e. RESEARCH AND DEVELOPMENT includes the direct or indirect cost of that research and development which is related to the development of devices, equipment, and techniques for use in the foreign intelligence effort. This may range from research and development conducted solely for intelligence purposes so that the full cost could logically be charged to intelligence, to those research and development activities which are conducted only in part for intelligence purposes and therefore only an appropriate portion of their over-all cost should be allocated as a charge against intelligence.

f. SCREENING AND DISTRIBUTION includes the handling of raw and finished intelligence originated in the reporting agency and in other agencies.

g. TRANSLATION includes those activities specifically conducted for the purpose of translating documents of intelligence value.

h. REFERENCE FACILITIES includes libraries, collections, and registers containing primarily intelligence materials.

i. PRINTING AND REPRODUCTION includes printing and reproduction of such materials as books, briefs, reports, cables, and maps directly related to the activities listed in sections 1 and 2 of the format.

j. REQUIREMENTS COORDINATION includes receiving, screening, collating and assigning requirements for the collection of intelligence information through the activities listed in section 1 of the format.

B. Additions to Capital Equipment includes costs incurred in the fiscal year reported for additions to capital equipment, such as buildings, installations, aircraft, vehicles and any other major equipment to be used primarily for the foreign intelligence activities covered by this report. Costs of capital equipment will be excluded from items A.1. through A.3. above.

C. Man-Years - Estimates of man-years should be based, insofar as possible, on on-duty strengths as of the end of the fiscal year reported and should be rounded to the nearest man-year.

D. Obligations - Cost estimates will be based upon actual obligations incurred during the fiscal year covered by the report and shown in thousands of dollars.