

12 SEP 1974

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: The KIQ/KEP Process

1. This memorandum contains a recommendation for your approval in paragraph 6.

2. This Directorate welcomes the Key Intelligence Questions (KIQs) for Fiscal Year 1975 as an illumination of intelligence information needs of major importance. As you know from your approval of our FY 1975 Objectives, we have established a system whereby we subsume the KIQs into our system by taking them into consideration when writing the specific Objectives, noting which KIQs are reflected in each Objective. In the case of the FY 1975 KIQs, we have disseminated them throughout the DDO in order to inform all Directorate elements of the latest Key Intelligence Questions of primary importance to the Government. We also plan to send selected KIQs to appropriate Field Stations. Through this action, the KIQs will supplement the very specific operational guidance provided in the Operating Directives.

3. Bearing in mind the fact that the KIQs are only partially applicable to clandestine collection and the fact that you previously approved our management of our Program according to the MBO concept, the handling of KIQs in this Directorate does present some problems. For example, the scheduling for the issuance of new KIQs each year comes several months after our MBO meetings and decisions resulting therefrom which represent our Program submission to you. In fact, the KIQs will probably reach us each year after you have already made your decisions on our Program. Despite this, they serve as a valuable supplement to the Objectives, and we plan to handle them in that way.

CL BY 009563
EZ IMPDET

~~SECRET~~

4. The KEP procedures, on the other hand, give us serious problems. As we understand what the IC Staff and NIOs are saying about this process, it requires financial accountings of expenditures against specific KIQs. Since we started the MDO system a year ago, we have completely revised our financial accounting system to report operational expenditures by Objective. Our experience has convinced us that financial accounting can only be done in meaningful terms when we have broad, stable objectives. It also shows that it is practically impossible to do when the objectives themselves are narrow and frequently changing. We cannot satisfy the financial requirements of the KEP system without completely scrapping and re-doing the work of the past year built around reporting by Objectives or establishing a parallel system to satisfy the KEP process. This, I believe, is beyond the capability of our Field apparatus to absorb. Any attempt at specific accounting short of these alternative courses would result in data which are meaningless for decision-making purposes.

5. The KEP presents the same problem in the field of evaluation. The KEP procedures will require NIOs to evaluate specific Program performance against each KIQ. This is far from the extensive evaluation system which we believe must be used for management of clandestine operations. As you of course recognize, the nature of clandestine operations requires investment of resources in the establishment of collection capabilities which sometimes precede and always are more comprehensive than short term intelligence requirements. Short term response to specific requirements such as the KIQs is unlikely to be a valid reflection of clandestine collection performance which is necessarily long term and target-oriented in nature.

6. For the above reasons, I request reaffirmation of your concurrence in our handling of the KEDs under our MEO system and an exemption of this Directorate from participation in the KEP process.



25X1A9a

Deputy Director for Operations

cc: DDCI
D/DCI/IC

The recommendation contained in paragraph 6 is () APPROVED
() DEAPPROVED

W. E. Colby, Director of Central Intelligence Date

DDO:AC/OPS/Page;C/Plans [Redacted] (12 Sept 1974)

25X1A9a

Distribution:

Orig - addressee

1 - each cc

2 - DDO

1 - ER

1 - C/Plans

1 - AC/OPS

1 - WEN

SEP 13 10 11 AM '74

EB