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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

February 23, 1973

MEMORANDUM FOR MAJOR GENERAL LEW ALLEN, JR.

FROM:

A. W. MARSHALL *AWM*

Attached are several papers discussing the problems in intelligence products and in the organization of the community. Jim Schlesinger has seen these. I am also forwarding a set to Danny Graham.

ATTACHMENTS

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NATIONAL SECURITY COUNCIL
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February 22, 1973

MEMORANDUM FOR THE RECORD

FROM: George E. Pickett
SUBJECT: DCI/IC Staff Organization *NSA*

This paper presents some views as to the general structure of the DCI's IC staff. It consists of an outline of the principal tasks facing the staff, the general functions which should be performed, and two alternative organization charts. Five assumptions underlie this proposal.

1. Initially the DCI needs (a) to establish control and presence and (b) to begin responding to White House needs. Hence, product improvement, the intelligence community budget, and national intelligence needs are considered first priority and are provided key staff sections.
2. The staff can be organized either: (a) to mirror the staffs in agencies; (b) with principal subsections for each agency; (c) to follow traditional functions of collection, processing, and analysis; or, (d) to pursue specific tasks. I chose (d) because I doubt the rationality of the present community structure and because I think a task-oriented group (versus agency-oriented) will be less reluctant to jump bureaucratic fences. In several years the staff could be reorganized.
3. A task-oriented structure will probably cause much conflict as agencies object to interference, feel threatened, etc., and as different sections of the DCI staff overlap in their jobs. Therefore, individuals in a special staff in the DCI's office should be available as expeditors, and individuals and inter-staff groups should oversee all activities associated with a particular agency or function.
4. Also because the staff is task-oriented, a number of individuals have duties as project or program monitors. These duties will change over time -- e.g., as becomes less significant --

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providing manpower for reassignment to other efforts. This approach keeps people in the staff from becoming too fixed in their jobs.

5. Staff structure needs generally to be flexible. For the next few years the DCI intends to institute change; task orientation helps concentrate the effort. In later years the DCI's effort may become more of a maintenance nature; the staff structure should be adjusted accordingly.

Principal Tasks of the DCI Staff

- Product Management (product improvement, research in new methods, experimental products, tailoring products to consumer needs).
- Budgetary Responsibility (preparation of annual budget, resolving procedural differences among agencies, programming, long-range budget planning).
- Policymaker Satisfaction (special products for White House, national intelligence, net assessment, instituting changes in intelligence organization and increased efficiency in use of resources).
- Organization Direction (long-range planning, setting policy for intelligence agencies, monitoring performance against policies, reorganization of USIB, CIA or other elements).

General Tasks and Approaches to Be Considered in Organizing the Staff

1. Product Management

- Group to conduct research in new methods of analysis and presentation; to prepare experimental products.
- Market research group to use various techniques to identify consumers and their needs.

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- Product review group to evaluate current output considering market needs, the availability of new methods, and the level of intellectual input.
- Provide support to NSCIC in its product reviews and in issuing guidance; work with NSC Net Assessment Group on product quality issues.
- An individual or group to monitor the entire intelligence effort (collection through production) against the PRC and the Soviet Union and recommend improved collection strategies, analysis development, etc.
- In addition, there might be groups to monitor special problem areas, e. g., economic intelligence.
- Consultants and contracting could be used to tap outside expertise (e. g., in product evaluation and developing new methods).

2. Budgetary Responsibility (Controllership)

- Group to improve the budgetary procedures among agencies to develop commonly derived figures.
- Develop and produce annual budget and budgetary projections for longer periods.
- Individuals or small groups to (a) monitor specific programs or projects and (b) conduct special analyses. For example, a monitor for "K", someone to study an entire collection program, and an individual to watch ADP costs.
- Monitor organization compliance with budgets.
- Support the IRAC.

3. Policymaker Satisfaction in National Estimates

- Those projects too important to be subsumed under other areas; including the national intelligence function.

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-- Examples:

- . Group to monitor SALT and MBFR support and possibly conduct analyses.
- . Net assessment.
- . Section to provide special products to Kissinger.
- . Team to monitor all intelligence support to the White House and to manage intelligence in crises.
- . NSSM support focal point.
- . NIE's (assumes a shortened list of high-quality NIE's are to be produced).

4. Organization Direction (Community Management)

- Environment analysis and long-range planning effort.
(Also linked to budgetary section.)
- Policy setting and monitoring group to recommend major guidance to agencies, to advise on reorganization of agencies and committees, and to monitor conformity of the agencies to DCI instructions.
- Technology element to monitor the direction of research and development.
- Personnel element to monitor the selection, training, assignment and motivating of analysts and managers.
- Inspector General individuals to check entire agencies, particular sections or functions of an agency, or functions across all agencies.
- Consultants to provide advice on long-range planning, organization structures, personnel policies, etc.

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5. Miscellaneous

- A special staff in the office of the DCI consisting of three to five individuals to take on major projects which require the DCI's immediate awareness and involve major issues within intelligence. (For example, the DCI's role in tactical intelligence; reorganizing the CIA; representing the DCI at the White House or with OMB, the PFIAB, etc.)
- Several interstaff groups to bring together all individuals concerned with a particular issue. For example:
 - . Product improvement group bringing together marketing, product evaluation, product research and personnel monitoring elements.
 - . Budgetary control group bringing together technology, project monitors and budget preparation elements.
 - . Separate functional review groups bringing together individuals associated with collection, processing, and analysis.
- To alleviate some confusion among the agencies, one individual should be designated as an information source to know what activities are being carried on within the staff vis-a-vis each agency.

Alternative Organizations

Two approaches to the staff structure are attached. Differences between the two include (as depicted in Alternative II):

- Creating a separate staff solely to respond to White House needs.
- Moving long-range planning under the controller and putting policy setting functions in the hands of the DCI's special staff.

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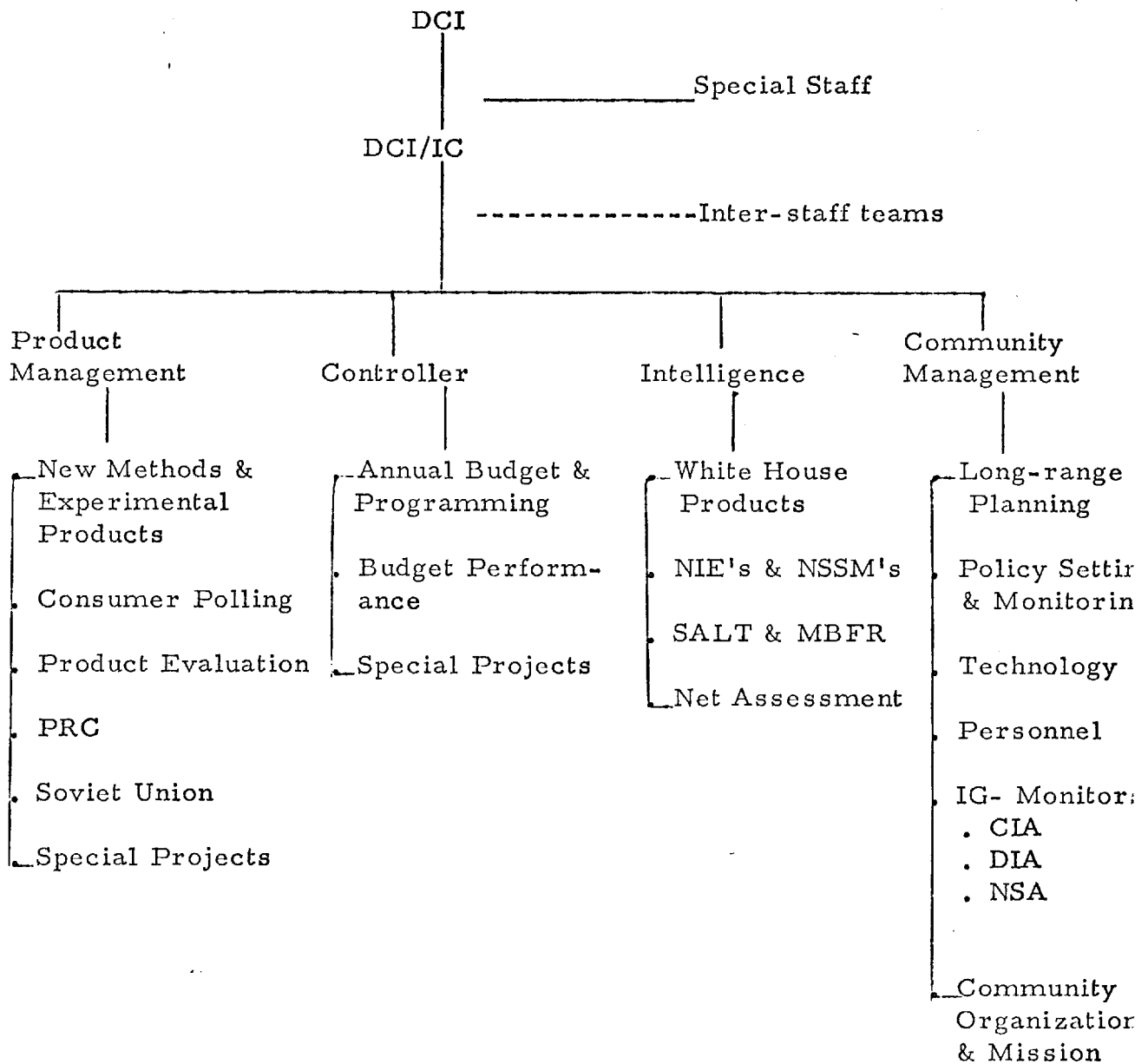
- Placing in the National Intelligence staff the responsibility for monitoring PRC and SU products.

I prefer Alternative I. While a separate White House section may be valuable, I think a long-range planning and a policy formulation group should be kept separate from the controller. Planning has been traditionally subordinated to the controller and this may constrain the focus of analysis to economic considerations. Also, monitoring the SU and PRC efforts, while national in scope, are better placed under Product Management, since they consume so much of intelligence resources. To delete them would significantly reduce the scope of the Product Management section's oversight.

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ALTERNATIVE I

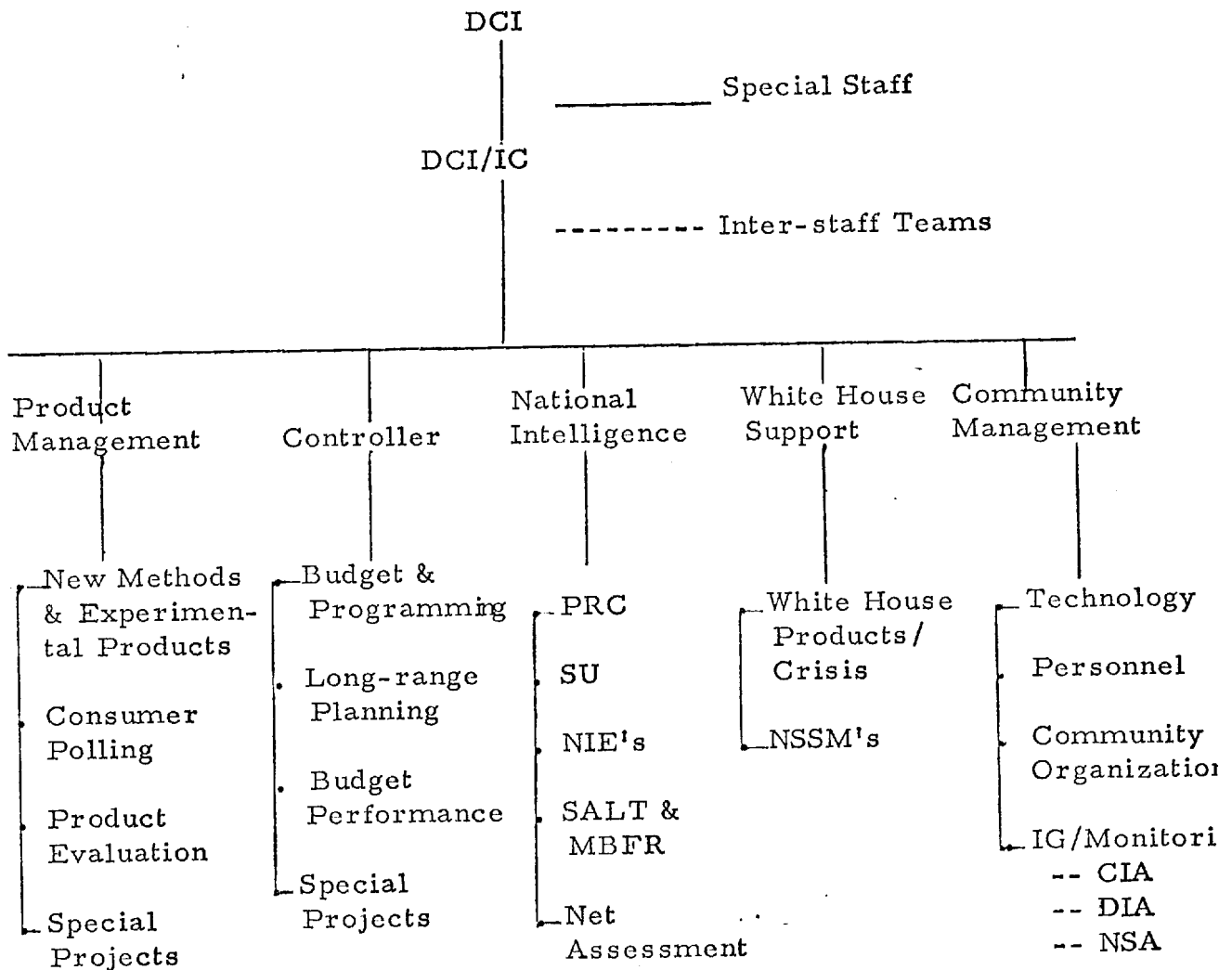


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ALTERNATIVE II*



- * Alternative II:
- Special White House Section
 - Controller has long-range planning task
 - SU and PRC under National Intelligence