

INTELLIGENCE COMMUNITY STAFF

24 January 1977

Attached is a rough first draft of our paper on the national estimates process. Please give me comments you may have by COB Tuesday, 25 January. Please hold this draft to the immediate recipients.

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The essence of the Team B charge against the Intelligence Community is that it has consistently underestimated the long-run objectives and intentions of Soviet military policy. The causes of this failure are, in the eyes of Team B members, endemic to the intelligence system and procedures that have been operative over the past 25 years. The more important causal factors for the Community's inaccurate appreciation of Soviet intentions are:

- 1) concentration on "hard" data and negligible analytic effort on "soft" data available in documentary and human source reporting;
- 2) mirror-image appraisals of Soviet actions and goals as reflections of American values and aspirations;
- 3) disaggregative assessments of Soviet weapon and force development programs, precluding an accurate appreciation of the Soviet ground design for military superiority;
- 4) unsupported judgments involving net assessments of US and Soviet forces and the US-Soviet balance;
- 5) a persistent bias toward benign and soft assessments of current and projected Soviet strength which appear to be too closely attuned to US policy initiatives and long-standing goals.

Review of IC Performance

Analysis of "Soft" Data.

The Team B's charge that NIEs "either gloss over in silence the question of Soviet strategic objectives, or else treat the matter

in a perfunctory manner" is not accurate, when the full body of Community product is considered. In the 1974-75 period alone, there were at least five national/departmental estimates or analytical memoranda which in their entirety addressed relevant "soft data" issues; and each of the major military estimates specifically addressed this subject to varying degrees. NIE 11-3/8-74 is particularly strong in this regard, devoting a full 43 paragraphs to a balanced discussion of the factors influencing Soviet policy and the question of Soviet strategic objectives. (Perhaps this explains why the Team B's report essentially omits any reference to this NIE.) See attached notes for additional documentation.

A review of estimates since 1960 shows a very sharp reduction in attention to soft data during the middle and late 1960s. Prior to satellite photography, all analyses of Soviet military programs emphasized the study of Soviet documentary data, media information and the Soviet technical journals as a way of monitoring Soviet progress in technology and probable ability to support large and sophisticated weapons development programs. The Community also allocated substantial resources to the analysis of SIGINT data on Soviet test ranges and industrial communications. This effort was curtailed soon after consistent and improving satellite photography became the most direct source for answering the critical question of the 1960s--quantifications of the Soviet missile and air defense buildup.

Unquestionably, hard data analysis replaced soft data analysis during this period and the scope and emphasis in the estimates reflected that change. Photography was clearly more useful as a source of information through the 1960s. In some cases, analysis of soft data ceased; in other cases, it atrophied and offered little but supporting analysis for the hard data. However, once the Community developed an accurate quantitative data base on various Soviet military forces and developmental programs, the critical intelligence questions returned once more to a demand for analyses on such qualitative issues as the effectiveness of the well-equipped Soviet forces and the guiding strategy and doctrine. Soft data, which earlier by itself had been unable to answer these questions, when viewed jointly with hard data began to have meaning. Intelligence reporting and the estimates indicate that the reemphasis of soft data began about 1971 or 72 and actually began to influence the estimates in 1973. SALT and MBFR policy issues also brought pressure for more careful assessments of force effectiveness, but the process within intelligence analytic components appears to have been well under way as these issues moved to the fore. Since the early 1970s, both DIA and CIA have restructured analytic entities to emphasize soft data; external contracting has also moved in that direction.

Mirror-Image Appraisals.

There is a human tendency to find and dwell on the universal aspects to any subject--technical, political, economic or social--that will affect

the probabilities for success, delay or failure of any new development. The intelligence analyst is as guilty of that tendency as anyone else. When evidence is scarce on the goals, problems, and successes of foreign governments, the analyst can only reflect and project on the basis of his own experience or on the basis of his knowledge and understanding of the ways that the other side traditionally does things--a knowledge that is not very precise in the case of Soviet bureaucracy. As "hard" data became available in the 1960s, it was put together with the "hard" data of the 1950s that had been supplied by German technicians repatriated from the USSR. That data clearly indicated a "western" bias to Soviet weapon developments that did affect the rather accurate assessments of Soviet achievements and potential through the 1960s. Studies indicated that the Soviet weapons were based on conservative technical specifications, proven technology, "German" experience on missile and aircraft, and considerable difficulty in introducing new technology. This approach influenced Soviet missile, aircraft, electronic and naval developments through the 1960s. The Community's appraisal of Soviet practice, therefore, rather than a mirror-image, tended to be an accurate appraisal based on hard evidence of Soviet hardware developments and systems developments and good, early, knowledge on post-WWII Soviet practice. Until there was clear evidence of Soviet change, it is unfair to accuse the US analyst of projecting his own predilections and set of references. If mirror-imaging did obtain

during this period, it was based on full knowledge of weapons capabilities and technologic growth in the USSR.

Since 1970, there have been indications of a higher level of indigenous influences in Soviet weapons developments and, perhaps more important, our recent analyses of Soviet training and doctrine-- "soft" data-- suggest that Soviet concepts of nuclear and conventional war and their tactical doctrine differs from current thoughts in the "West." Military estimates since 1973 document that Soviet change. For example, NIEs 11-3/8-74 and 75 contain considerable discussion of Soviet weapons development programs that emphasize R&D, Soviet MIRV technology, accuracy improvements, and the pursuit of native technologic advances. There is extensive coverage of "soft" data pertaining to a variety of subjects related to warfighting capabilities, strategies, and intentions. Some 43 paragraphs, for example, are devoted to this subject in the main body of NIE 11-3/8-74. The essence of this discussion is that there is a clear picture of Soviet military interest in favor of "superiority" but that the Community is unable to identify an agreed Soviet definition of superiority or a method of achieving it. More particularly, the recent estimates portray a distinct impression that the Soviet perception--the view of the Soviet leadership as to goals and purpose of the apparent force posture--is the important imponderable in assessing Soviet intentions.

Disaggregative Assessments of Soviet Weapons Programs.

The Team B criticism is valid. Traditionally, the annual series of estimates did include an NIE 11-4 designed to discuss overall Soviet policy. This document came to be looked upon as a wrap-up assessment, based on full knowledge of the more comprehensive estimates on each of the main military elements. It often was an excellent review of where the Soviets were heading and what the emphases were. This was so because the members of the National Estimates Board who developed the force estimates participated fully in the policy estimates. The NIO system does not formally maintain that custom, although the NIOs are, of course, mindful of each other's work that has a direct bearing on their own. But there is no formal NIO procedure for getting an overall assessment.

In retrospect, however, even the traditional BNE approach to a summation of Soviet policy rarely was integrative in the sense of the B Team criticism. Typically, the 11-4 estimate was the only attempt at formulating an integrated view. There was discussion of how improvements in strategic defense affected intercontinental forces, or how peripheral attack systems affected overall Soviet strategic offensive capability. A systems approach to Soviet military programs was not essayed. The best that can be said is that the reader of an 11-4 estimate became aware of an unrelated array of Soviet force improvements.

The more recent estimates on Soviet military policy and trends (both NIEs and DIEs) indicate the difficulty of writing a satisfactory 11-4. Soft data has been interspersed with hard data in a way that conjures up a series of unresolvable questions on Soviet intentions. There is a strong conclusion on capabilities and growth, but no clear assessment of overall military progress relative to opposing US and allied forces. Perhaps that would require comprehensive net assessments to be meaningful--a point not mentioned by the B Team--but despite the validity of the criticism that integrated assessments of Soviet forces and policies are lacking, it is hard to visualize precisely how such estimates can be formulated more clearly than they have been unless soft data becomes less ambiguous and/or comprehensive net assessments become part of a periodic overview of overall Soviet military status and intentions.

Unsupported Net Assessments.

While this criticism can be validated in a review of Soviet estimates over the past several years, the change is not always well founded. Our review indicates that the support for implicit and explicit net assessments has been good in at least half of the occurrences. A significant number of cases were poorly supported. Supporting data for assessments relative to the overall strategic balance was only fair.

There was a tendency in the early 1970s to become quite liberal in scattering judgments, often unsupported, in the key judgments of estimates. The highest incidence probably occurred in NIE 11-3/8-75. The pressure to do so was great for a number of reasons, perhaps the most important being a demand for simplified statements of the significance of a very complex mass of data. It was well recognized within the Community that such judgments were not completely supported--if supported at all--but the cry for some assessment of the overall US-Soviet balance was constant. In part, too, the Intelligence Community was reluctant to do the detailed studies necessary to fully support the general assessment of relative strength that was demanded. Having been forced to give some judgments admittedly on shaky ground, most components of the Community would support some method of formulating more explicit analyses of the issues at hand. But such studies cannot and should not be the responsibility of the Intelligence Community.

IC Bias.

It is difficult to accept the B Team charge of biased analysis and collusion with policy leadership. (This, incidentally, is a key judgment of the B Team with no explicit or implicit support in the body of their report.) The B Team finds that "on some occasions the drafters of NIEs display an evident inclination to minimize the Soviet strategic buildup because of its implications for detente, SAL negotiations, Congressional sentiments as well as for certain US forces." While it is true that the

NIEs over the past several years have contained a number of statements that minimized the Soviet strategic buildup, there is no clear explanation as to why those judgments prevailed. Intelligence has always been criticized for being led by the demands of national policy, but it has learned from both the "bomber gap" of the 1950s and the "missile gap" of the 1960s that the worst case estimate of the near term is not always the proper one. If there were a legitimate criticism of minimizing the threat, it can be levied on the strategic estimates in the latter half of the 1960s. The more logical causal explanation, however, is not policy pressure at the time, but shortsighted concern on the part of the estimators with the analysis of the short-term buildup of Soviet forces and when those forces would reach an assured retaliatory capability, then parity and, finally, sufficiency. All good concepts in the jargon of the 1960s, and each meaningful to the policymakers at the time. But the minimization of the buildup was always based on a variety of well-assessed factors which tend to be overlooked. In the case of the Soviet missile buildup, the analysis relied heavily on the length of the extant deployment programs, the obsolescence of the missile systems, the probable requirement for qualitative modifications to the existing forces, and the demands of competing programs. Who is to say that these factors would not have ended the quantitative missile buildup if SALT I had not imposed numerical ceilings? The same sorts of program reviews have always affected intelligence appraisals of all Soviet weapons systems and, by and large,

the modifying factors have tended to be reflected in eventual Soviet program figures. The B Team fails to note that the estimates of aircraft and surface-to-air missile programs were generally on the mark during the same period in which bias was involved in the strategic estimates. Yet the methodologies for the estimates were similar and presumably could have been tempered by similar policy pressures at the time.

The B Team is more lenient with its criticism of the estimates during the 1970s, but there is no clear reason as to why. Presumably, if the judgment is "correct," the methodology is faultless. But the likelihood of policy pressure on the Soviet threat was surely greater in the mid-1970s than at the close of the 1960s, because admission of an invigorated Soviet military threat was destined to undermine the policy of detente--the administrative goal. Yet the estimate changed, as usual not at the speed demanded by the most apprehensive, but slowly in response to a rather rigorous review of the evidence. It is difficult to find a reasonable cause for changing intelligence estimates other than constant reappraisal of the evidence at hand.

Findings of Phase I

The first phase of the IC Staff review of national estimates on the Soviet Union finds that the basic process is sound--the NIO concept, interagency drafting teams, and the NFIB review and approval process. Specific questions about the objectives, scope and focus of NIEs do, however, need further examination. More seriously, the IC Staff finds major defects in the Community's analytic base supporting Soviet estimates, particularly in the following areas:

- The Community's posture for systematically utilizing all available information on the Soviet Union.
- Bureaucratic barriers within and outside the Community which inhibit the dissemination of all available information to analysts of the Soviet Union.
- Net assessments of Soviet military capabilities.
- 1. Objectives, Scope and Focus of NIEs on the Soviet Union

NIEs on the Soviet Union are costly, in terms of Community manpower, yet there are persistent questions raised by users of intelligence about the relevance and utility of NIEs.* During Phase II, the IC Staff will evaluate, with the NIOs, other Community elements, and key users, measures to increase the utility of estimates in three areas-- new formats which better serve the multiple markets for NIEs; alternative

*Reference ICS Semiannual Review, RONI on NIE 11-14-75, Andy Marshall papers.

approaches to hypotheses and evidence in NIEs; and better definition of the role of intelligence estimates in relation to the policy process.

a. The Multiple Markets for NIEs. National estimates on the Soviet Union serve a number of purposes for different audiences or markets. They provide broad assessments of trends for policymakers, detailed review of Soviet policies and capabilities for negotiations and force planners, and the basis for Community inputs to departmental or inter-agency studies. Another important purpose of NIEs is to provide a disciplined, systematic means whereby the Community debates intelligence issues about the Soviet Union and develops both agreed statements and, where appropriate, dissenting positions.

It is difficult, if not impossible, for a single NIE to serve satisfactorily all of these audiences. During Phase II, the value and costs of a more market-oriented structure for national estimates on the Soviet Union will be examined, along the following general lines:

- A detailed reference library on all aspects of the USSR, to provide a baseline of agreed intelligence which would be updated as necessary on the basis of new information.
- An annual intelligence assessment of all relevant political, economic, military, technological, and societal trends in the USSR, keyed to short-term and long-term issues facing the US Government.

- Intelligence inputs to departmental and interagency studies, focused on the specific issues under study.

b. Evidence, Uncertainty, Hypotheses, and Judgments. The discussions of evidence and uncertainty currently varies from NIE to NIE, depending upon the topic. A policy should be developed, in consultation with users, which sets forth guidelines for discussing evidence and uncertainty and for providing hypotheses and judgments about future Soviet behavior which go beyond the sources and methods of intelligence. These guidelines should recognize that the degree of detail and the nature of the discussion in an NIE should vary with the purpose and the audience; thus, they should be keyed to the market-oriented structure for NIEs discussed above. In developing this policy, the following might, for example, be considered:

- Degree of detail in which supporting evidence should be discussed.
- Footnotes referencing more detailed intelligence analyses.
- Discussion of the nature and extent of Community uncertainty.
- Highlighting changes in Community positions and the reasons for these changes.
- Discussion of alternative hypotheses for observed facts or behavior.
- Development of alternative future courses of Soviet policy or behavior. (This is done now for strategic force levels and the technique could be applied more broadly to Soviet

-- Identification of political, economic or military weaknesses in the USSR which might be exploited by the United States in implementing its own policies.

c. The Role of Intelligence Estimates. A policy statement is needed which more clearly defines the function of NIEs in the US Government policy process and delineates the boundary between policy and intelligence. This policy should stress the responsibility of the Community to alert policymakers to future problems or challenges to US interests. It should also stress the need to be relevant to the concerns of the users of intelligence, while recognizing that the alerting responsibility, insofar as it may on occasion result in challenges to current policy, is to a certain extent in tension with the need for relevancy.

A key principle in delineating the boundary between intelligence and policy is that the content of NIEs should be clearly rooted in intelligence sources and methods. The current Community debate about whether the Soviets are striving for strategic superiority does not directly hinge upon intelligence information. Rather, it is a debate about the interpretation of intelligence and--implicitly--about what courses of action the United States should take in view of the continued Soviet military buildup. This debate could more constructively be carried out under the auspices of the NSC, where the costs and benefits of US policy, force posture and negotiating alternatives could be debated, taking into account the information, insights and uncertainties of intelli-

2. Intelligence Community Posture for Utilizing "Soft Data" on the USSR

Community utilization of so-called "soft data" on the Soviet Union seems to go in cycles. During the 1950s and early 1960s, national estimates made extensive use of human sources and published information, both classified and unclassified. During the 1960s, this practice declined, presumably because of the great wealth of satellite data which became available and the major US policy interests in the growth of Soviet strategic forces. Starting in 1973, there was a clear effort by the Community to utilize to a greater degree political, economic and military doctrinal information in the Soviet estimates and their supporting analyses. For example, there were or are all-source analyses by the CIA, DIA and military services of Soviet military doctrine, naval objectives and policy, limited nuclear war policy, defense spending, civil defense, research and development, and, most recently, a new CIA project to research Soviet views on strategic superiority.

But these efforts for the most part have been reactions to demands from users critical of intelligence products or to controversies within the Community. There is no comprehensive base of data on Soviet affairs, readily accessible to analysts, which supports these Community studies. There is no comprehensive, integrated Community program

of research on all aspects of Soviet affairs--politics, economy, technology, military capabilities, society, foreign policy. National estimates are still guided too much by presumptions about what "reasonable men" are likely to do, not by solid study and understanding of the factors which actually guide and constrain Soviet foreign policy, military planning, and actions in crises and war. The Intelligence Community and the US Government do not comprehend Soviet affairs anywhere near as well as the Soviet Union understands US affairs. But the more delicate future balance of US and Soviet power, the more complex relationship emerging between the two countries, and the strong prospects for continued superpower competition demand far better and more comprehensive intelligence on the USSR.

To remedy this situation will require major investments of money and manpower--probably over and above the currently programmed resources--and very likely will require changes or additions to organizations internal to some of the NFIB agencies. During Phase II, the IC Staff, with Community elements, will investigate, in greater depth, ongoing intelligence analyses, production and data bases related to Soviet affairs, will examine the costs and benefits of alternatives to provide a more comprehensive and systematic program of intelligence research on the Soviet Union, and will make resource and organizational recommendations. Aspects of this problem to be examined include:

- Comprehensive, integrated and systematic exploitation of FBIS, unclassified and classified Soviet literature, defectors, emigrees and other sources of "soft data" on the Soviet Union, with the objective of making these data more readily accessible to intelligence analysts.
- More comprehensive and timely analysis of all relevant Soviet military exercises on a routine basis, again with the goal of making this body of data more readily accessible to analysts.
- A broader range of basic economic, industrial and technological studies of the Soviet Union than are now being conducted.
- Studies of Soviet society and dissent.
- Analysis of factors influencing Soviet decisionmaking in foreign policy, negotiations, economics, and military force planning.
- A program to build up and sustain a body of intelligence production personnel who are experts on the Soviet Union, both generalists and specialists.
- Programs to draw upon academic, other government and private research organizations to complement the efforts of the Community in the area of Soviet affairs.

3. Barriers Which Inhibit Dissemination of Information

Users of intelligence sometimes complain about what they feel is excessive compartmentation of intelligence products. There is a

parallel, and perhaps more serious, problem within the Intelligence Community--the failure to disseminate available information so it can be utilized by intelligence analysts in preparing national estimates and other products. For example, NSA does not routinely disseminate all processed intercepts (i.e., those which have been decrypted and translated), but makes a preliminary screening or analysis to disseminate only that information deemed important. This is presumably done to avoid flooding Community analysts with unnecessary information, but are NSA personnel sufficiently aware of all needs of the analysts to make such a screening? Similarly, it is not clear that CIA/DDO makes available to Community analysts all information relevant to problems being researched. The State Department and other non-Community agencies responsible for disseminating overseas reports also withhold information from the Community, sometimes for reasons of sensitivity, sometimes because they are not fully aware of Community requirements.

The Phase II inquiry will include an examination of such dissemination problems, including:

- Detailed documentation of the extent to which these dissemination problems exist and the reasons therefor.
- Evaluation of the impact on national estimates and other intelligence production of these dissemination problems.
- Recommendations for procedures and guidelines for reducing problems of disseminating information to and within the

Community, while avoiding extensive and costly distribution of marginal information and safeguarding sensitive sources and methods.

4. Net Assessments. The avowed position of the Community on net assessments of US and Soviet military capabilities is at variance with the practice in national estimates. The Community position is that intelligence should not make net assessments involving judgments on US military capabilities, but should contribute necessary inputs to net assessment studies done by DOD or other Government agencies. The Community practice is, however, to make net judgments on likely outcomes of US-Soviet military conflict, which do in fact involve judgments about US forces, sometimes based on interaction analyses, sometimes not.

Actual Community practice regarding net assessments has evolved under pressure from users for bottom line Community judgments about Soviet military capabilities, ranging from the effectiveness of single weapon systems in combat to evaluations of the overall warmaking potential of the USSR. To retreat from this practice would be untenable and irresponsible. Instead, there should be a refined statement of Community policy on net assessments and an effort to improve Community capabilities to perform its own assessments and to contribute to the net assessments of users. Recommendations on these matters will be developed during Phase II.

- A refined statement of Community policy should be based on the following principle: the Community should perform US-Soviet military interactions analyses to help make judgments about the effectiveness of Soviet weapons and forces. The Community should not, however, make judgments about what changes or improvements should be programmed for US military forces.
- Within the boundaries of a refined policy on net assessments, the Community should assure that it has the right data bases, methodologies, organizations and trained analysts to perform net assessments and interaction analyses.