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4 May 1982

NOTE FOR [redacted]

Deputy Executive Secretary, NFIB

FROM: EA/Executive Director

SUBJECT: DCI Briefing to the PFIAB

REFERENCE: Your Memorandum (NFIB-6.1/22) of 3 May 1982, Same Subject

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1. Regarding CIA input for the DCI's 12 May session with PFIAB, my previous notes to you on Agency support provided to PFIAB should satisfy your section 3 requirements with a couple of exceptions:

- Two early briefings might have slipped through the cracks:

- On 9 February John Stein (DDO), [redacted] and [redacted] 25X1
[redacted] briefed Ms. Luce's task force on the Agency's 25X1
counterintelligence program; and

[redacted] 25X1

- Since my last note (20 April) the following support has been provided:

- Copies of 14 NIEs, primarily on Latin America and the Soviet Union, were forwarded;

- On 28 April [redacted] (Assistant to the DDI for Current Support) 25X1
briefed the Scientific, Technological and Communications Task Force on getting intelligence to policymakers.

- On 28 April [redacted] (D/ALA) [redacted] (SOVA) and 25X1
[redacted] (NIO/LA) briefed the Analytical and Political Task 25X1
Force on Central America, focusing on Soviet influence in that region and the long-term impact of the current situation there on Mexico; and

- To follow up on the above, about 30 publications and 200 articles on Latin America/Soviet Union were forwarded to the task force.

2. I will provide you input for Part 2 by the end of the week.

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DDI ORGANIZATIONAL CHANGES

- For nearly 20 years the Directorate of Intelligence was organized along purely functional lines. This imposed difficulties in preparing integrated analysis, thus limiting perspective.
- In October of 1980, John McMahon reorganized the Directorate along regional lines. For the first time, political, economic, and military analysts working on the same country or region now are part of the same office and can bring together their diverse specialities in the form of genuinely integrated multidisciplinary analysis.
- Upon McMahon become Executive Director, Robert Gates became the DDI. He instituted a program to improve the quality of analysis.
- Revamped approach to research program providing for research on issues of importance and relevance to US Government. For first, broad coherent program based on key problems and wide range of assets in and out of government.
 - Each office required to develop aggressive program of contacts, conferences and seminars with outsiders on important subjects tying into research plan.
 - To take advantage of most experienced and knowledgeable people in US, have begun aggressive program of acquiring highly qualified consultants who will review and critique DDI drafts in areas of their

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speciality. Especially interested in people who have different perspective.

●Outside training now required for every analyst every two years to refresh and expand substantive knowledge and broaden perspective by exposing them to different and new people and new ideas.

●A new program established of one-year rotational tours in policy agencies for very promising middle-level managers to help them understand how the policy process works and how agencies use intelligence.

●For first time, each office now required to develop and maintain a production file on each analyst that over time will enable supervisors to gauge whether the analyst is improving as well as overall accuracy and quality of his or her work.

●Current intelligence to be presented in two distinct parts beginning with a recitation of facts/evidence and then a separate comments section thereby ending the confusion between what is fact and what is analysis.

●In face of often weak analyst skills in effectively using intelligence sources, senior management encouraging development of skills in tasking and using various sources (SIGINT, imagery, HUMINT). Skill in this area now included as a specific item for evaluation in annual fitness report (for the first time in DDI history).

●All senior managers in directorate now aware that quality of intelligence and in particular its accuracy the foremost element on which their performance will be judged. For first time, senior

publications issued by their office.

● Provided for the first time that those holding unorthodox or minority views be heard by senior managers by sending memorandum directly to DDI setting forth alternative views not included in Agency publications or other formal channels.

-- There were additional organizational changes since October to enhance quality and protect research work. Product Evaluation Staff created to provide the first completely in-house evaluation capability in the DDI.

-- There are already promising signs of change even though many of our changes are only a few months old.

● There has been a noticeable change in the number of multidisciplinary papers, the use of special sources in DDI reporting, and the quality of finished intelligence.

● This year's DDI research plan, which I, DDCI, and ExDir reviewed in detail and approved, shows much more thought and cohesion than ever before.

● The use of outside contacts is already on the upswing.

● Arrangements have been worked out for ten rotational assignments in policymaking agencies.

● Production files have been established and the distinction is being made between fact and analysis in our current intelligence.

Recent Developments in the Field of Intelligence Law

1. Executive Order 12333 Governing Intelligence Activities

- Order approved by the President 4 December 1981 which is much more positive a tone and authorizes CIA to engage in some activities precluded by E.O. 12036

- Required implementing procedures drafted by CIA personnel and submitted to Attorney General for approval which is expected eminently

- Procedures written in a concise and straightforward manner that is positive in tone and meaningful to operational personnel

2. Executive Order 12356 Classification of Information

- Order approved by the President and becomes effective 1 August 1982 which eliminates some complexity (balancing test)

- Order includes presumption that there will be damage to the national security if sources and methods disclosed

- Order provides that if doubt as to whether classification appropriate, classify until doubt resolved

3. Identities Legislation

- Versions passed both Houses

- Differences now in Conference Committee (since late March)

- Senate version permits a covert agent to disclose his own identity without penalty

- House version requires the President to establish effective procedures to provide official cover for intelligence personnel and protects not only the identities of present intelligence officers serving under cover and past or present agents, but also former intelligence officers, such as officers retired under cover

- Both versions contain provisions which penalize disclosures by a person engaged in a pattern of identification and exposure activities "with reason to believe that such activities would impair or impede" U.S. foreign intelligence activities (most of the HPSCI Majority members opposed this language, and the HPSCI Majority staff is continuing to attempt

to weaken the provision through unfavorable Conference Report language)

4. Former Spouses Legislation

- Versions of this legislation introduced in both Houses
- Hearings held by both Houses
- House version preferable in that both CIARDS and CSRS benefits subject to equal burdens in favor of former spouses assuring equivalent treatment of all similarly situated Agency personnel

5. Wilson - Terpil

- Several bills introduced in both Houses to deal with problems
- Agency has been discussing legislative remedies which would:
 - Provide criminal penalties for former employees of Intelligence Community components, the Foreign Service, SSCI, or HPSCI, former members of the U.S. Army Special Forces, and former officers of the Armed Forces who provide military, intelligence, or security-related services to foreign powers without approval from their former employing agency
 - Require registration and reporting by covered former employees and members on their activities for foreign powers
 - Authorize the agencies whose former personnel are covered to enforce the legislation through investigations, subpoenas, and judicial proceedings, independent of any criminal prosecution

- Executive Committee on record as opposing such legislation

6. Freedom of Information Act Amendments

- Senator Durenberger's bill places CIA in a worse position than does the current FOIA statute. It would
 - Amend exemption for classified information to permit withholding of properly classified information only if disclosure of the information could reasonably be expected to cause identifiable damage to national security and if the need to protect the information outweighs the public interest in disclosure (the balancing test)

- Limit judicial review of agency determinations under the balancing test to ascertaining that the agency actually made a determination that the need to protect the information outweighed the public interest in its disclosure
- Senator Hatch's bill makes a number of helpful changes having government-wide applicability, but does not deal directly with the problems of the intelligence agencies under the FOIA
- Senator Chafee's bill amends CIA Act of 1949 to authorize the DCI to exempt broadly defined categories of intelligence files from search, review, and release under the FOIA.
- The Agency preferred solution would exclude the intelligence agencies completely from the Act and would apply retroactively to most FOIA requests and judicial proceedings already in progress

7. Agee Passport Litigation

- Last year Supreme Court upheld validity of State Department regulation authorizing Secretary of State to revoke passport upon finding that citizen's activities abroad are causing or are likely to cause serious damage to national security

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INTRODUCTION

For several years CIA has had counterterrorist programs throughout the Agency. Given the continued growth of international terrorism, it is necessary for CIA to accelerate these activities and ensure they are fully coordinated. Unlike most other Agency programs, the counterterrorist effort requires intimate, day-to-day coordination among elements of all Directorates. For this reason, all counterterrorist activities will be co-located. Resource allocation should also be presented as a single package.

The counterterrorist program has three goals:

Neutralize terrorist organizations before they are able to carry out a terrorist incident. To reach this goal the Agency must strive to achieve three objectives:

Objective 1: Provide a thorough understanding of the dynamics of international terrorism.

Objective 2: Increase collection activity against terrorist organizations.

Objective 3: Increase action operations to neutralize terrorist organizations.

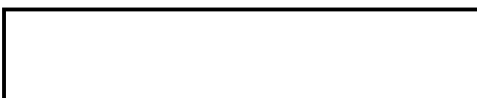
Defend against terrorist attacks. Assuming we are unsuccessful in neutralizing all terrorist organizations, we must be prepared to defend against terrorist attacks. To achieve this goal requires accomplishing the following objectives:

Objective 4: Provide advance warning of likely terrorist incidents.

Objective 5: Increase U.S. understanding of the capability and willingness of foreign governments to conduct counterterrorist programs.

Objective 6: Improve U.S. and friendly foreign governments' capability to defend against terrorist attacks.

Defeat terrorist attacks. We must assume that efforts to neutralize and defend will not totally succeed and that terrorist organizations will mount attacks on U.S. or U.S. allied targets. CIA's experience with many terrorist crises has provided a wealth of knowledge as to what is needed to minimize chances for a terrorist attack to succeed.



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There are two objectives:

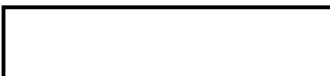
Objective 7: Create two fully equipped technical response teams able to proceed on very short notice to areas of terrorist incidents. The capability must be deployable unilaterally as well as in cooperation with friendly liaison services.

Objective 8: Insure after incident intelligence exploitation obtains all pertinent data and provides for the welfare of victims.

The program described in the following pages identifies enhancements to currently programmed funds necessary to achieve these objectives by the end of FY 1984. The total requirement is as follows:



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OBJECTIVE 1

PROVIDE AN UNDERSTANDING OF THE DYNAMICS OF INTERNATIONAL TERRORISM.

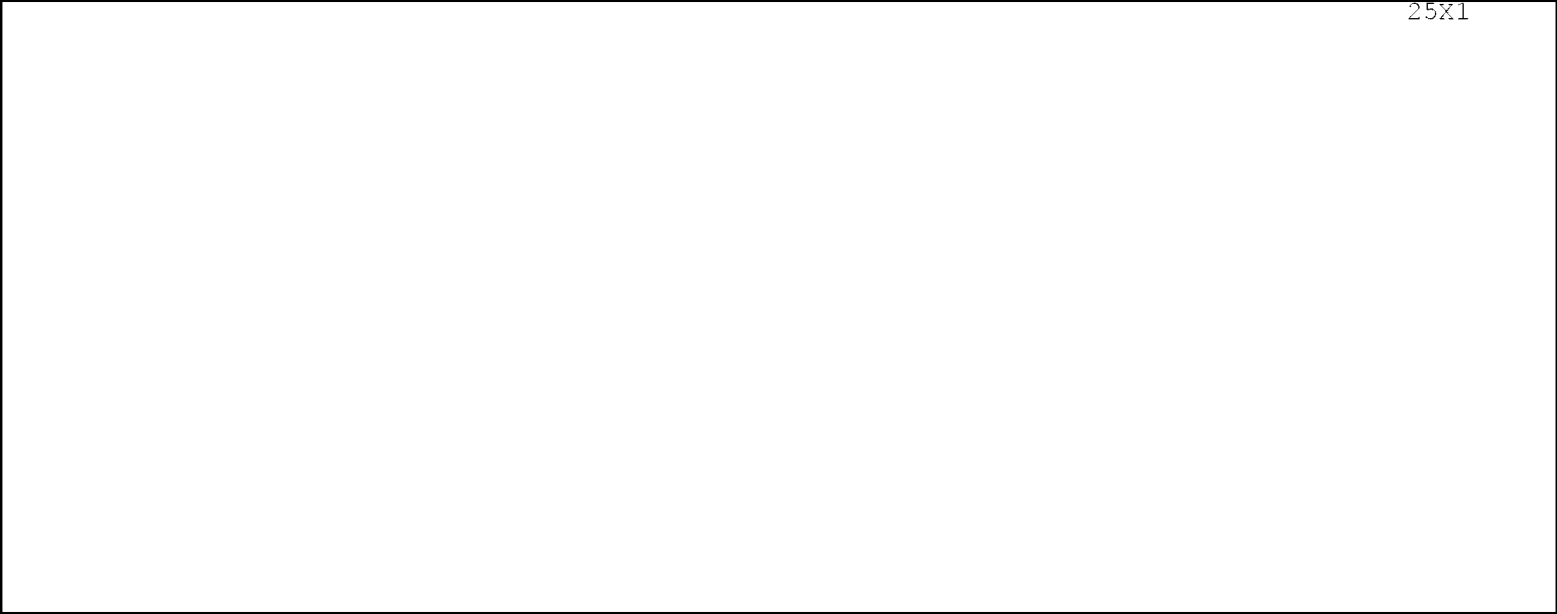
Discussion

Basic to an effort to neutralize terrorist groups is a clear understanding of the terrorist phenomenon: what is it, who are they, where do they come from, what are their objectives, etc. Much information is currently available; more is needed along with an improved ability to manipulate and analyze the data.

Requirements

Several Directorates have terrorist related automatic data bases. These must be centralized and expanded on a dedicated, stand-alone computer to handle Agency and community counterterrorist requirements.

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OBJECTIVE 2

INCREASE COLLECTION ACTIVITY AGAINST TERRORIST ORGANIZATIONS

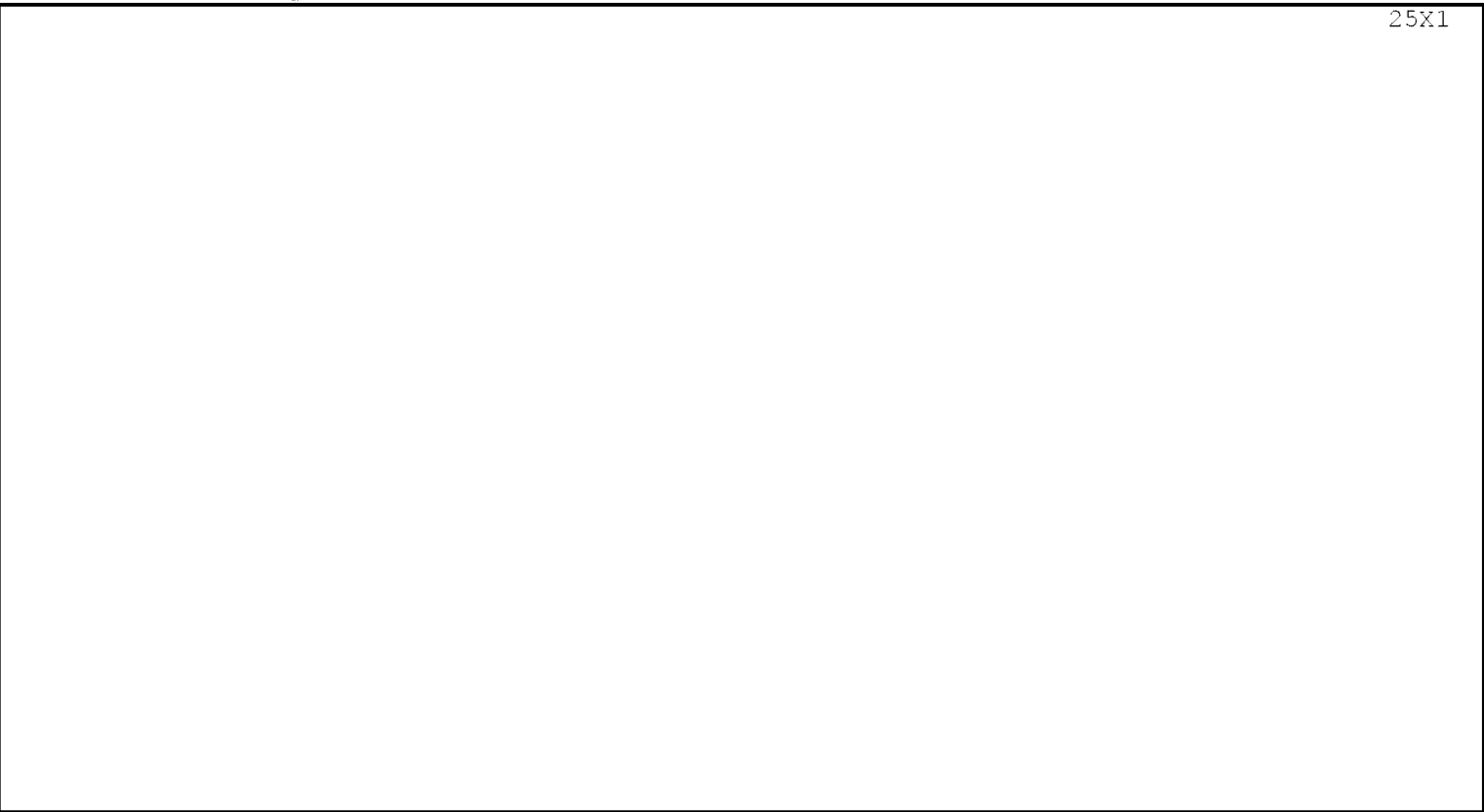
Discussion

Although some information is available to allow preliminary judgments on means to neutralize terrorist organizations, much more collection is necessary

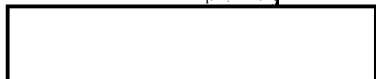
Requirements

Terrorist organizations are extremely difficult to locate and penetrate. The total array of collection techniques must be brought to bear. Some techniques already exist and need only be expanded to include the terrorist target; others must be developed.

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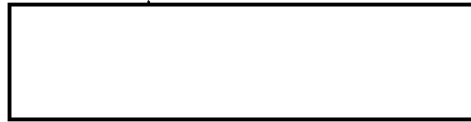
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OBJECTIVE 3

INCREASE ACTION OPERATIONS TO NEUTRALIZE TERRORIST ORGANIZATIONS

Discussion

As information and analysis improve, CIA must have a better clandestine capability to use the information to neutralize the terrorist organizations.

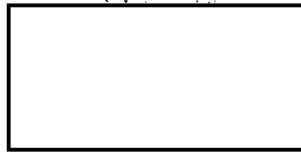
Requirements and costs covered in sensitive annex.



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OBJECTIVE 4

PROVIDE ADVANCE WARNING OF LIKELY TERRORIST INCIDENTS.

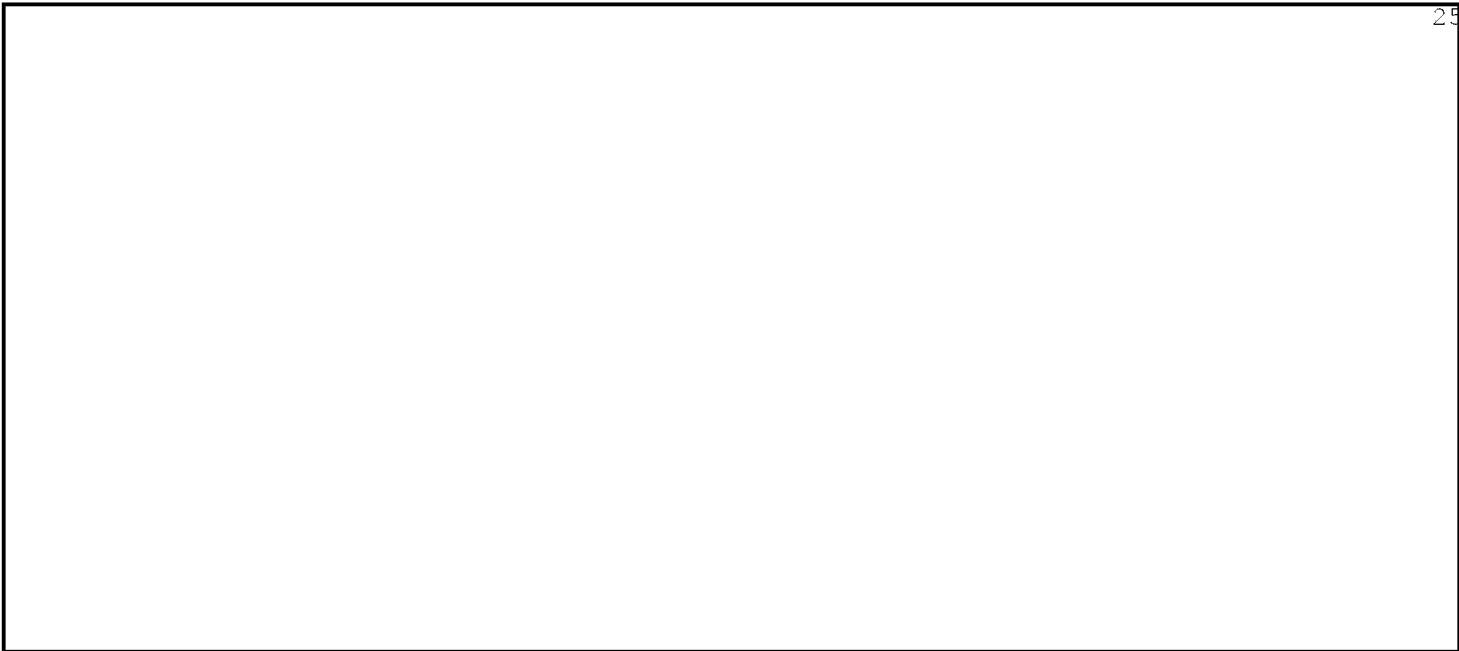
Discussion

Fundamental to effective defense is advance warning. Improved collection, analysis and automatic data capability will enhance the Agency's capability to provide the warning. The establishment of the Interagency Counterterrorist Intelligence Committee (ICIC) is an important step in improving the U.S. government alert system to ensure warnings intelligence is promptly disseminated to potential targets of terrorists acts.

Requirment

We need to develop behavioral and event indicators of future terrorist actions.

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OBJECTIVE 5

INCREASE U.S. UNDERSTANDING OF THE CAPABILITY AND WILLINGNESS OF FOREIGN GOVERNMENT TO CONDUCT COUNTERTERRORIST PROGRAMS.

Discussion

Friendly governments are an extension of the U.S. counterterrorist capability. The U.S. needs a thorough understanding of the foreign capabilities and politics to know (a) how a government will most likely handle a threat, and (b) what assistance does that government need to improve its capability.

Requirements

More interface with principal liaison services is required to expand our data base. JSOC's knowledge in this field must be integrated into our data base.

Additional contract funds to systematically analyze government measures and terrorist responses in Key West European, Middle East and Latin American countries are needed.

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OBJECTIVE 6

IMPROVE U. S. AND FRIENDLY FOREIGN GOVERNMENTS' CAPABILITY TO DEFEND AGAINST TERRORIST ATTACKS.

Discussion

The U.S. leads the international effort against terrorism. It must have an advanced technical capability consistent with its leadership role.

Requirements

The U.S. must develop its own ability to handle counterterrorist threats both to defend itself and to assist friendly foreign governments.

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OBJECTIVE 8

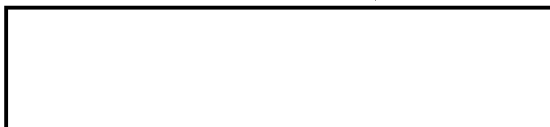
INSURE AFTER INCIDENT INTELLIGENCE EXPLOITATION OBTAINS ALL PERTINENT DATA AND PROVIDES FOR THE WELFARE OF VICTIMS.

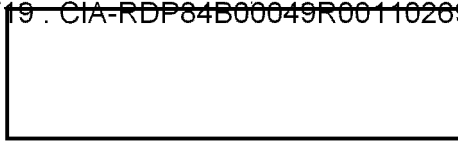
Discussion

Too often when an incident is ended, intelligence opportunities and responsibilities are overlooked. CIA has developed a government-wide responsibility for providing aid and assistance to the victims of terrorist attacks.

Requirements

Costs necessary to pursue this have been absorbed in earlier objectives.

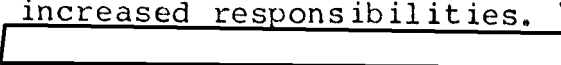




ADMINISTRATIVE SUPPORT ANNEX

Discussion

There are two main administrative considerations in getting the counterterrorist program underway. The first is cost in co-locating the counterterrorist specialists. The second is providing the necessary additional personnel to handle the increased responsibilities.



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