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MEMORANDUM

TO: THE MEMBERS OF THE SELECT COMMITTEE ON INTELLIGENCE

FROM: STAFF DIRECTOR

DATE: MARCH 13, 1986

SUBJECT: HEARING ON THE SOVIET INTELLIGENCE REQUIREMENTS PRESENTED IN THE NATIONAL INTELLIGENCE STRATEGY.

PURPOSE OF HEARING

To review the intelligence program presented by the National Intelligence Strategy for the analysis of the Soviet Union and the views of this program by key intelligence consumers.

WITNESSES

Representing Intelligence Consumers

The Honorable Caspar W. Weinberger, Secretary of Defense

Ambassador Rozanne L. Ridgway, Assistant Secretary of State for Soviet and East European Affairs

Representing Intelligence Community Producers

Ambassador Morton Abramowitz, Director, Bureau for Intelligence and Research, Department of State

- Dr. Robert M. Gates, Deputy Director for Intelligence, Central Intelligence Agency
- Lt. General Leonard Perroots, USAF, Defense Intelligence Agency

BACKGROUND

One of the Select Committee's objectives in requiring a National Intelligence Strategy by the DCI was to make his priorities for intelligence clear and to make these priorities available to intelligence consumers.

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The National Intelligence Strategy the DCI presented to the Select Committee last month emphasizes analysis of the Soviet Union and, most especially, the military components of the Soviet threat. For the most part, this emphasis is already apparent in the production of CIA, DIA, and INR.

The Strategy mentions that the Soviets will face hard choices because of tightening economic resources and the difficulties that will result from the malaise among the Soviet people However, the strategy does not show how these non-military aspects of Soviet strategic power present new demands or new opportunities for U.S. intelligence.

At issue are such questions as:

- o Do the priorities laid forth in the National Intelligence meet the needs of intelligence consumers?
- o Do the production plans of CIA, DIA, and INR for long-range Soviet intelligence correspond to the priorities of the National Intelligence Strategy?
- Does the investment program for collection laid forth in the National Intelligence Strategy meet the needs of the producers responsible for intelligence on the Soviet Union?

In this hearing, Secretary Weinberger and Ambassador Ridgway will explain their own intelligence requirements in respect to the Soviet Union. The heads of the intelligence arms of CIA, DIA, and INR will explain how their program will address the priorities expressed in the National Intelligence Strategy, and whether they will be able to carry oput those programs with the collection resources planned. Following their opening statements, the witnesses will accept questions from the Members.

KEY ISSUES

1. <u>Has the National Intelligence Strategy been developed</u> with an ear to the intelligence consumer?

The Select Committee intended the Strategy to connect intelligence planning to the needs of intelligence consumers. Secretary Weinberger and Ambassador Ridgway should be able to inform the Members as to

- How the Defense Department and State Department were consulted in the development of the Strategy; and
- o Whether Defense and State are satisfied with the allocation of resources laid forth in the National Intelligence Strategy.

2. Are Defense and State satisfied with the priorities expressed by the National Intelligence Strategy?

The Strategy, in laying forth the DCI's vision for long-term investments in intelligence, notes that the Intelligence Community will not be able to cover all issues as well as the DCI would like.

Would Defense or State prefer that the DCI change his overall Strategy to place greater priority on the collection and exploitation systems necessary to

- Monitor Soviet compliance with existing arms control treaties;
- Strengthen U.S. capabilities to verify Soviet
 compliance with new arms control treaties, which
 might limit such difficult-to-monitor factors as
 mobile missiles, missile dimensions, throwweight,
 etc.

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3. <u>Has the long-term planning laid forth in the Strategy</u> overlooked significant issues and trends affecting the <u>Soviet Union?</u>

The National Intelligence Strategy focuses mainly on the military dimensions of the Soviet Union. Even when the Strategy addresses other issues, they are usually approached from a distinctly military perspective (e.g., most study of the Soviet economy focuses on Soviet defense industries).

Some non-military components of power that could shape the Soviet Union's overall capabilities (and which Secretary Weinberger and Ambassador Ridgway might wish to address) include:

- the impact of economic stringencies on Soviet support for foreign clients and the cohesiveness of the Soviet Bloc;
- o the impact of these same economic constraints on force expansion, force modernization, readiness, and ability to mobilize;
- o the impact of social and demographic trends on the health, cohesiveness, and effectiveness of the Soviet labor force and its ability to adopt increasing sophisticated technology.

4. <u>Will intelligence producers be able to carry out the objectives of the National Intelligence Strategy with the collection and exploitation systems currently programmed?</u>

The Strategy points out that the Intelligence Community will probably fall short in collection capabilities necessary to monitor certain aspects of arms control. However, it is possible that intelligence producers may also lack the collection assets they need for other missions, as well.

At issue are such questions as

- o What part did intelligence producers play in the development of the Strategy; were they consulted in defining collection requirements?
- o Are there any significant collection gaps in the Strategy that will prevent intelligence producers from carrying out their assigned missions?

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5. Will the Intelligence Community be effective in using the resources the DCI has dedicated to stregnthen intelligence analysis?

Money is not the only issue in strengthening the Intelligence Communty's analysis of the Soviet Union; there are also questions are to whether the Intelligence Community will be able to use this money effectively.

Part of the problem is in Community's personnel policies. The CIA, for example, loses potential new analysts by taking too long to process recruits. On average, the DI requires one year to bring a new analyst on board.

Retention is also a problem. Currently, half of all analysts in the Directorate of Intelligence have less than five years experience. About a fifth of all analysts have less than two years experience.

At issue are such questions:

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- o What steps is the Intelligence Community taking to make sure that the additional money that will be spent on analysts is used effectively?
- How will the Intelligence Community improve its methods to spot talent?
- o Will any of the resources the DCI has dedicated to analytic resources be used to improve recruitment and retention?

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BACKGROUND ON THE INTELLIGENCE PROGRAMS OF CIA, DIA, AND INR

CIA intelligence on the Soviet Union is produced primarily by the Directorate of Intelligence.

Within the DI, the Office of Soviet Analysis (SOVA) is responsible for Soviet political and economic developments; Soviet military doctrine, planning, and operations; Soviet defense industries; and Soviet policy for such foreign relations issues as arms control.

The Office of Weapons Research (OWR) is responsible for technical assessments of foreign weapons; virtually all of its effort is directed at Soviet weaponry. OWR is the source of CIA estimates of Soviet missile capabilites, for example. OWR also offers technical support to the Arms Control Support Staff.

In recent years, the DI has put most of its newly-added resources in the Defense Industries division of SOVA and OWR. Less attention has been paid to Soviet domestic and non-military economic policy, though within the past year SOVA reorganized its division that is responsible for such issues.

DIA, as the primary intelligence advisor to the Joint Chiefs, is heavily oriented toward supporting the operational planning of U.S. forces. DIA's Soviet intelligence is produced by a variety of directorates within the Agency; some analysis is also delegated to other military intelligence agencies, e.g., DIA's order of battle for Soviet offensive strategic forces is published under the DIA logo, but produced by the 544th Strategic Intelligence Wing.

It is not possible at this time to determine recent investment trends for Soviet analysis within DIA, as these were not provided by the GDIP CBJB. The staff has requested additional information.

INR is by far the smallest of the three agencies. It is responsible for supporting the Secretary of State. As expected, its production is weighted toward political issues. INR has put most of its efforts in recent years into strengthening its division responsible for analyzing terrorism, narcotics trading, and other global issues.