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Intelligence Reform as a Self- Inflicted Wound:

Asking the Right Questions

WORKING DRAFT

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With all deference, the 9/11 Commission, Senator Roberts, and the others rushing towards intelligence reform often seem to be providing answers before they ask the right questions. It is always tempting to rush to judgment, but far too much of the analysis done by the Commission and various Congressional Committees avoids hard political questions, lacks intellectual honesty, and does not address the issues in anything approaching the required depth.

Bad analysis means bad legislation. Many recommendations and draft bills seem designed to solve the organization chart and not the problem. As a result, many proposed reforms will at best do little good and some could do serious harm.

For intelligence reform to succeed, any new structure and legislation must be able to answer the following questions:

Question One: Is Intelligence really the problem?

The 9/11 Commission and the various Congressional looks at 9/11 and the problems in estimating Iraq's weapons of mass destruction have effectively "scapegoated" the intelligence community. They have never really examined the role of the policy community, and the extent to which it failed to realistically deal with terrorism or assess the threat posed by Iraq.

Because they did not find formal instructions to produce intelligence to please, they have ignored the immense day-to-day pressure that senior policy makers and officers put on intelligence analysts to provide intelligence to please or to down play a given threat. There has been little analysis of how policy staffs used and presented intelligence in their work for senior policymakers, or provided their own assessments.

The assumption seems to be that improving intelligence will solve all problems, and no improvements are needed in the user and the policymaker.

Question Two: Are Many of the Problems Really Solvable?

No reform will ever enable intelligence to meet unrealistic or impossible standards, or create an intelligence community filled with brilliant innovative people. This is particularly true if "reform" consists of changing organization and lines of authority without detailed and credible plans for improving collection, methods of analysis, the quality and number of personnel, and the way in which the system operates.

To date, the problem has been made worse by studies and reports that repeat classic problems in assessing intelligence "failures." Once the event occurs, and 20-20 hindsight is available, it is almost always possible to find enough intelligence indicators to say that the event could have been predicted if one knew the pattern of events that were going to occur.

The problem is that a vast number of different problems affect limited collection and analysis, and the volume of reports and indicators is nearly infinite. The same is true of the number of possible scenarios or patterns. Studies that do not examine the volume of indicators, or “noise,” and the probability of detecting the right pattern among all of the possible patterns, inevitably turn every failure to predict the future or properly analyze events into an intelligence failure. Complexity theory alone, however, warns that many such problems are simply inherently unsolvable.

No intelligence system can provide reliable warning against the full range of events in a complex world, or correctly analyze issues where insufficient data are available and the indicators are ambiguous or misleading. The most that any intelligence reform can do is provide marginal improvements. Moreover, no reform will ever produce a system in which everyone provides above average performance, and any pattern of reform that focuses largely on organization and lines of responsibility may not improve intelligence at all.

Question Three: Will the proposed reform do more good than harm?

This is an election year, and the shock of 9/11 and the Iraq War have created tremendous pressure to do something – almost for the sake of doing something. Major shifts in the structure of something as massive as the US intelligence community, however, create massive turbulence and morale problems, and can often take years to fully sort out and make new systems effective.

This is particularly true because it takes years to recruit, train, and sort out personnel for complex new functions, transform administrative and budgeting systems, and reform already overloaded and inadequate information technology (IT) systems. In most cases, fixing what isn't really broken breaks it – at least for the months or years it takes to recreate it in a new form.

Reform proposals that do not recognize these trade-offs, risks, and costs are inherently flawed and dangerous. This is particularly true of the Roberts bill which seems to be dangerously irresponsible in effectively ripping the CIA and much of the rest of the intelligence community apart without presenting any clear rationale or plan for the resulting change. The various National Intelligence Centers and Assistant National Intelligence Directors would divide up collection, analysis and production, RDT&Acquisition, and Military Support. If anything, the end result would replace competing integrated agencies with dysfunctional stovepipes, evidently in the hope this would make things better rather than as the result of any functional analysis.

The same problems, however, also affect the 9/11 Commission and all legislation relating to it that has been proposed to date. There is no detailed justification for change; no explicit analysis of what the Intelligence Community thinks of given recommendations or of their pros and cons; and no analysis of costs and required resources. There is no analysis of what the intelligence community has already done to solve the problem or

proposes. Benefits are assumed, not analyzed or validated. Risks and costs are not assessed at all.

Even in the areas that seem to be most positive -- strengthening the role of top intelligence officials and creating a more effective Counterterrorism Center -- the proposals of the Commission and current draft pieces of legislation provide virtually no substantive detail as to how the new system will work or why it will be better. The end result is largely to legislate the organization chart and not to address the problem or the risks of coming up with the wrong solution.

Question Four: Why will any given type of reform make the quality of US intelligence better?

The whole purpose behind reform should be to make the quality of US intelligence better, and not simply at the level of advice to the President. The reports and bills issued to date, however, do almost nothing to explain why intelligence will be better at any level. Most simply call for better coordination, collection, analysis, and covert operations. They ask for more innovative thinking.

The harder one looks at many such suggestions for reform, however, the more they look like the emperor's new clothes. There are no specifics as to how intelligence will actually get better, particularly at any level other than serving the President.

There are no new incentives for quality, for independence of thought, or for reporting uncertainty. There is no effort to address key shortfalls in collection and analysis and provide more resources. Instead, the focus seems to be on "connecting the dots" in ways that can never provide an adequate picture of what really should be done.

Question Five: Why do new lines of authority fix anything?

If Congress is looking for a scapegoat for the next crisis, then creating clear lines of centralized authority may give it one person to blame. The one thing all proposals have in common is to make the DNI an ideal scapegoat in a crisis. He or she would effectively become responsible for everything -- at least in terms of line authority.

From a practical viewpoint, however, lines of responsibility are functionally meaningless unless they are tied to clearly defined management systems and organizational plans that clearly meet the needs of all users. No proposal to date has described why giving more power to a DNI will really improve intelligence service to any user, including the President.

Moreover, much of what is proposed either tacitly changes the name and role of the current DCI, or requires a massive new staff and set of planning, programming, budgeting, management, personnel, and analytic capabilities -- many potentially duplicative of existing staffs and functions. No recommendations or legislation to date has explained what is required or how this will really work.

This does not mean that creating a DNI, or strengthening the DCI, is not potentially a good idea. President Bush has already taken what seems to be a series of desirable actions in his executive orders strengthening the DCI, issued this August. However, simply centralizing power in one person doesn't make things better, or produce better decisions, and the reform proposals to date have been remarkably short on any of the details as to why the change improves the quality of intelligence.

Question Six: Does creating more centralization produce better intelligence?

The US intelligence community now consists of many specialized elements. This is not a matter of accident. They serve different users, they often involve different methods of collection and technology, methods of analysis, and methods of reporting and distribution. Some 98% of their effort does not directly serve the President or White House, or require hands on management by a DNI or DCI.

No reform proposal to date has begun to explain why putting these agencies under more centralized control will make things better, and some proposals -- like the Robert legislation -- seem designed to be extremely destructive. They would break up highly specialized agencies and staffs to fit in theoretic categories in ways that could take years to sort out. At best, the DNI's office is supposed to take over new coordinating roles that are never really defined, with unknown staffs, illustrative organizational elements, and undefined roles in budgeting and personnel management.

What is most serious, however, is that many proposals make no effort to ensure that there is creative tension between different intelligence agencies; that different views are developed and surfaced; that uncertainty is exposed; and there is competitive pressure to improve the product. There have been many times when competition between INR, NSA, DIA, and CIA have been vital to exposing intelligence problems and exposing intelligence users to different views.

Question Seven: How much of the US intelligence effort should be focused on serving the President?

Almost all of the current reform proposals act as if the entire purpose of the intelligence community was to brief the President and serve the White House. The fact is, however, that most intelligence goes to relative low-level users in various Departments and Agencies and to the US military. The US intelligence system should not be optimized around directly serving the President. It should be optimized around serving all consumers.

There also seems to be the strange assumption that the President should rely on direct intelligence briefings and the White House should rely on formal intelligence products. The fact is that most policy and operations are staffed by joint teams where intelligence is part of the Agency or military effort required. The White House and NSC -- much less the President -- lack the expertise and time to deal with much of the detail involved, and users

at every level need direct access to intelligence experts – and sometimes intelligence collection. There is no time for formal intelligence products, and most of what does emerge is either overtaken by events, or out of context.

There are only a few intelligence items a day that need the President's direct attention, and only a few formal intelligence products that merit White House attention. What the President does need is the best possible fusion of intelligence into policy, plans, and operations from his national security advisor through the cabinet down to operations in the field. This is just as true in emerging high priority areas like homeland defense, counterterrorism, and counterproliferation as in all of the other existing uses of intelligence.

Certainly, proposals which give the DNI a political status within the White House raise a very serious risk that intelligence will become tied to policy or politics. The President certainly needs a senior intelligence official he can trust, but the country needs intelligence professionals that are independent enough to surface different views, think out of the box, and serve all of the President's advisors well with independent input.

At a different level, most proposals for reform also fail to answer the question of how a DNI can be both the senior intelligence advisor to the President and manage a \$40 billion conglomerate with so many elements and different types of technical and analytic expertise.

They also can transform the NDI into "principle advisor to the President" in ways that make him a de facto policy advisor or cabinet member. A number of DCIs have already made the mistake of trying to be the nation's key intelligence analyst or turning the position into an ego trip. The last thing reform should do is encourage this – particularly at the expense of effective leadership of the intelligence community.

Question Eight: What form of stronger "budget authority" would really improve the situation?

It is very easy to make generic calls for changes in budget authority. The fact is, however, that span of control issues immediately emerge as do issues of expertise. Moreover, classic budget authority comes far too late in the process. Creating a more effective intelligence community requires action at the level of planning and programming, not simply in terms of shaping or controlling the current budget.

None of the proposals to date explain what kind of PPB system could best improve over the existing system and reshape the present National Intelligence Program, and what level of independence given elements of the intelligence community should or should not retain. No plan exists to provide an adequate PPB staff. Some proposals leave tactical intelligence floating in limbo or dual hat the ASD (Intelligence), without explaining how the system can work. Vague references to providing guidance for the Joint Military Intelligence Program (JMIP) and Tactical Intelligence Related Activities Program (TIARA) scarcely address the issue,

Question Nine: What changes in the current personnel system will really help improve intelligence?

Recommendations and proposals differ over the level of control that the NDI would have over intelligence personnel, and hires and fires. The most ambitious proposal is the Roberts proposal, which calls for a National Intelligence Service. There almost certainly is a need for better mobility within the intelligence community, and particularly for a common security and vetting system so that intelligence officers and personnel can rapidly move between agencies.

What is not clear is that major changes are needed in the way agency heads are selected, or that the NDI should have direct control over every aspect of personnel. Agencies are specialized, many careers are agency specific, not everyone should have the same pay and career path. There should be agency-specific training and retention programs, and the key is the functionality of personnel – not standardization of recruiting and career patterns.

Personnel reform must be based on creating the best personnel for each function; not vague ideas about reforming control of the overall personnel system.

Question Ten: Does the proposal do anything realistic to improve the sharing of information, coordination and dissemination?

Most suggestions to date imply that lines of authority improve coordination and sharing of information. In practice, however, the US intelligence effort consists of a vast amount of collection, sorted by individual agencies. The sheer volume of collection already exceeds current data handling and analytic capabilities, there are many levels of analysis, and the “community” has many different partially or totally incompatible IT systems – often within a given agency.

No centralized staff can possibly fix this problem. Indeed, most improvement probably has to occur in terms of IT system design and architecture, secure communications, lower security barriers, and improved methods and analytic capability at relatively low levels within and between given elements of the intelligence community.

It may well require substantial additional resources, and many of the most important improvements probably need to be “horizontal” and not “vertical.”

No reform proposal to date offers any tangible plans or resources to deal with the real world issues that actually affect the problem. It seems to be tacitly assumed that all collection and analysis will flow uphill.

Question Eleven: Why Alter Covert Operations?

There may be a reason to strengthen covert operations, but they are inherently uncertain and messy and require very different mixes of political and military expertise. There may well be a case to strengthen both military and agency capabilities in these areas, but centralizing them in either the Department of Defense or CIA, or some new centralized staff, is either going to result in military expertise without political expertise, or political operations without adequate military expertise and support.

There also is no clean break between covert operations and human intelligence. It can take years of effective human intelligence efforts to set the background for some kinds of operations, and this is particularly true of “soft” covert operations that involve political and economic actions or highly targeted violence, rather than significant military activity.

If there is any broad need, it is to strengthen both military and civilian capabilities, to provide a better depth of area expertise, and to recreate cells of intelligence capability for deep black operations that have controls to avoid the abuses of the past. As both George Tenet and Porter Goss have pointed out, the US is already involved in a process of rebuilding its clandestine capabilities that will take at least 5 more years. Attempting to centralize and become cost-effective at this point, and create clear demarcation lines between clandestine collection and covert operations is scarcely going to help.

If there is any need for change in organization and control, it is for more jointness in integrating military and civilian intelligence expertise, and for better outside review of the political impact and risks of such operations in a climate where covert operations does not become decoupled from either intelligence analysis or civil policy level review.

Question Twelve: What is the best interface between the intelligence community and the user?

Far too many reform proposals and draft bills ignore the reality that there will never be a real barrier or “Chinese wall” between the intelligence officer and the intelligence user. Operators and policymakers at all levels have special access clearances and work with intelligence officers on a day-to-day basis. They generate their own analysis and “intelligence” using the press, contractors, in-house analytic staffs, and seat of the pants judgments. They rarely rely on the formal intelligence product and they use intelligence products selectively or spin them to support given projects and policies.

Any effort to stop this would compound all of the existing coordination problems in the intelligence-user interface, greatly exacerbate overclassification and compartmentation, and blindside intelligence analysts and managers as to what policymakers and operators are doing and what they need.

If any improvements are required, it is to improve the quality of partnership and fusion at every level so that intelligence and users work in joint teams, and there is an absolute minimum of security barriers and special classification. This, however, means the team is accountable for success, and not simply the intelligence community for producing perfect formal products.

Question Thirteen: How does intelligence reform address military needs and “netcentric warfare?”

The natural bias in the 9/11 Commission and Iraq WMD studies is a focus on top-level intelligence at the White House level. The bulk of US intelligence resources, however, are oriented around Intelligence, Surveillance, and Reconnaissance (ISR) systems that serve military needs, and which are an essential part of dramatic new advances in the architecture and capability of the overall US command, control, communications, computer, intelligence, and battle management system (C4I/BM).

The current mix of reform proposals and draft legislation largely ignore this reality, with the exception of vaguely dual-hatting the ASD(Intelligence). They do not explain how the DNI’s role can operate in ways that ensure that the revolution in military affairs and “netcentric” warfare can operate. They ignore the integration of red-blue force tracking, analysis, and operations, and the need for integrated systems to support effects-based operations. They treat the subordination of much of the intelligence community to the Department of Defense as if this was an artifact of the Cold War rather than a vital part of an integrated future where intelligence is linked at every level to military operations and plans.

This problem is particularly acute because the Gulf, Afghan, and Iraq Wars all revealed that problems still exist in getting national agencies to support military operations on a timely and effective basis, and because the design and manufacturing problems in a number of key satellites have already delayed important capabilities needed to support war fighting by a matter of years. There is a clear need for better integration of space-based intelligence, communications, and operating assets – not for central intelligence management of RDT&E in ways that would probably shake up the existing system without focusing it.

Question Fourteen: How does intelligence reform address Homeland Defense, civil rights, and counterterrorist activity in the US?

Recommendations and draft legislation differ over the level of integration in domestic intelligence on terrorist threats and homeland defense threats. There is no doubt that the US has had too many barriers to intelligence coverage of extremist and terrorist activity in the US, poor flow and integration of domestic and foreign intelligence, and a lack of properly focused operational use of intelligence for Homeland Defense and counterterrorism. There is a clear need for a National Counterterrorism Center. There is a need to end agency compartmentation and provide integrated collection and analysis.

At the same time, there is an even greater need for systems that preserve human rights and secure the rule of law. Creating an intelligence czar with domestic surveillance authority that is not under the Attorney General, and measures which separate intelligence from law enforcement, go against all the lessons that governments have learned the hard way about the need to balance security with the rights of individuals.

Moreover, there is a critical need for a working partnership between intelligence and operators at the federal level that allows the rule of law to function, as well as the FBI and all of the elements of Homeland Defense to operate as teams in both prevention and response. Moreover, this functionality must extend down to the state and local level -- including the National Guard if not mobilized by the President.

In most cases, a Counterterrorism Center can only function in dealing with policy or coordinating action when a clear and present danger mandates national action. Most day-to-day activity must occur at the agency level and in the field. No matter how good the national system and center are, there will be many cases -- and probably most -- where everything depends on the quality of the federal team in the field and intelligence support for or within that team.

Once again, overcentralization of intelligence under an NDI can easily be counterproductive and destructive, and splitting out intelligence from the FBI can delay or prevent effective action. The focus should be on securing the US outside the beltway; that is the whole rationale for having any activity within the beltway.