What to Cut and How to Cut?
Historical Lessons from Past Reductions in the Intelligence Community

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The current fiscal climate of the nation and the upcoming federal budget cuts present a series of challenges to the U.S. Intelligence Community (IC). Given that the Community will not be exempt from these cuts; prudent policymakers will need to focus on how to maintain the effectiveness of the IC under these constraints. This study seeks to answer the following questions: under what conditions can the IC cut its resources while still maintaining its effectiveness? What do past eras of budget reductions suggest about what to cut and how best to cut?

These questions are important for two reasons. First, upcoming budget cuts are a reality and the IC will lose a significant amount of resources as a result. Congress, high-level administration officials, and even intelligence officials have signaled that the IC will not be exempt from impending cuts.[1] James Clapper, Director of National Intelligence (DNI), recently

[1] Matthew Irvine, "Death of a Sacred Cow," *Center for a New American Security,* 9/1/2011. http://www.cnas.org/node/6955

submitted a plan to the Office of Budget and Management (OMB) which would cut the IC's budget by at least ten percent over a ten year period.[2] The intelligence budget peaked in FY 2010 at over $80 billion, but fell to $78.6 billion in FY 2011.[3] The request for FY 2013 is even lower at $71.8 billion.[4] These cuts represent a significant degradation of the IC's resources in and of themselves, but are magnified by expanding responsibilities and missions.[5] Such conditions obviously require difficult decisions, thereby necessitating a plan for how to make these decisions while maintaining effectiveness in the IC.

Furthermore, potential sequestration as outlined in the Budget Control Act of 2011 could significantly impact the allocations granted to the IC. With 90 percent of the IC's budget appropriated through the Department of Defense (DOD) budget, the $600 billion in cuts to the defense establishment caused by sequestration will inevitably affect the resources of the IC.[6] Several IC leaders, including DNI Clapper, believe that cuts endured in the 1990s, and their subsequent impact on the IC, could be analogous to the effects of sequestration should the IC fail to develop a new approach to resource reduction.[7]

Second, questions relating to the maintenance of effectiveness are all the more salient given that we can expect the IC to react to these budget cuts by exhibiting organizational characteristics that diminish effectiveness. Although there is the possibility that the IC will react

[2] Walter Pincus, "Clapper: "Double-digit" Cuts Coming for Intel Budget," *Washington Post* (online), 10/17/2011. http://www.washingtonpost.com/blogs/checkpoint-washington/post/clapper-double-digit-cuts-coming-for-intel-budget/2011/10/17/gIQAbSvIsL_blog.html

[3] Richard A. Best Jr., "The Intelligence Appropriations Process: Issues for Congress," (Congressional Research Service, December 16, 2011), Summary; Office of the Director of National Intelligence, Media Release, "DNI Releases FY 2011 Appropriated Budget for the National Intelligence Program," October 28, 2011; U.S. Department of Defense, News Release, "DOD Releases Military Intelligence Appropriated Top Line Budget for Fiscal 2011," October 28, 2011.

[4] Office of the Director of National Intelligence, Media Release, "DNI Releases Budget Figure for FY 2013 Appropriations Requested for the National Intelligence Program," February 13, 2012; U.S. Department of Defense, News Release, "DOD Releases Military Intelligence Program Requested Top Line Budget for Fiscal 2013," February 13, 2012.

[5] Irvine, "Death of a Sacred Cow."

[6] Richard A. Best Jr., "The Intelligence Appropriations Process", Summary.

[7] Sean Reilly, "Experts: DoD Could Slash 150K Jobs," *Federal Times*, December 4, 2011, accessed April 10, 2012.

rationally and streamline efficiently, there is a spectrum of possible negative reactions decreasing effectiveness. Given funding cuts, the IC may sacrifice long terms goals for short term priorities. Similarly, the IC will have a more difficult time with analysis and distribution of information within the Community. Finally, inter-agency competition for resources may increase, and organizations may fracture into separate agencies, reducing overall efficiency.[8] Given these premises of organizational behavior, it is commonly asserted that funding cuts should have some detrimental impact on the effectiveness of the IC. By exploring past eras of budgetary reductions, this study seeks to discern lessons to help policymakers avoid or mitigate these pitfalls.

The rest of this article unfolds as follows. The next section will highlight the methods used in this study and include a discussion relating to an ideal data set, limitations inherent in the study of intelligence effectiveness, the framework used in this study, and a justification for the case selection. The third section will present an in-depth analysis of seven case studies of major intelligence events/operations. The final section will conclude with lessons learned and recommendations regarding how best to cut the budget of the IC while still maintaining the effectiveness of the Community as a whole.

Methodology

The methodology of this study seeks to overcome the challenges posed by a limitation of data. Initially, this study intended to scrutinize the data from past eras of budget cuts and relate these findings to changes in the effectiveness of the IC. If specific data could be found on what was cut, and by how much, lessons could be derived regarding how those cuts affected IC effectiveness. However, data regarding the specifics of the IC budget and processes are

[8] Eugene Bardach, "9/11 Commission Report and Management Literature," *International Public Management Journal* (2005).

classified. Given this limitation of access, a different approach was needed. To this end, first this study reviewed the literature on intelligence effectiveness in order to identify metrics of effectiveness. Second, effectiveness was measured as a causal process throughout the intelligence cycle and was assessed during three historical eras where the IC was operating under budgetary restraints. This assessment was conducted by analyzing the IC's performance in seven case studies of major intelligence successes and failures during these eras. Finally, open source, declassified, and unclassified material were used to analyze these historical cases.

IDEAL DATA SET

This section outlines the ideal data set for examining how budget cuts affect the IC and how imminent cuts can be implemented without undermining IC effectiveness. Essentially, this ideal data set describes how best to study these issues absent the limitations faced by this study. This data set, which could be evaluated at the classified level by the DNI and other IC leaders, would provide prudent policymakers with important historical information regarding the IC budget.

Quantitative analysis of the IC budget at the open source level is impossible because of the budget's classification.[9] However, given that the IC is a bureaucratic organization, we can reasonably assume its budgetary structure is similar to the budgets of other federal government bureaucracies, specifically agencies such as the DOD. This structure would include budgetary allocations for each member agency of the IC; allocations within each agency for acquisition, personnel, operations and maintenance (O&M), and research and development (R&D);[10] and

[9] The Intelligence Authorization Act, passed annually by Congress, publishes only the bottom line request from the Director of National Intelligence, with no additional information provided as to how that money is allocated among IC agencies, major budgetary categories, mission sets, etc.

[10] These are the four broad categories of the DoD budget as outlined by K. Jack Riley, "Moving Toward a Sustainable U.S. Defense Budget: Speech Given June 15, 2010 at the S. Rajaratnam School of International Studies, Nanyang Technological University, Singapore," *RAND Corporation Publications* (Santa Monica, CA: RAND Corporation, 2010).

allocations within each of these budgetary categories for a given agency. Access to this data would allow policymakers to answer a series of critical questions: How much money does each IC agency receive? How much money is allocated across the broad categories of acquisition, personnel, O&M, and R&D? How does each agency allocate money within these categories? And, most importantly, how have all of these allocations fluctuated over time? Taken together, this information would provide policymakers with a fulsome understanding of what intelligence budgets looked like during previous eras of fiscal austerity.

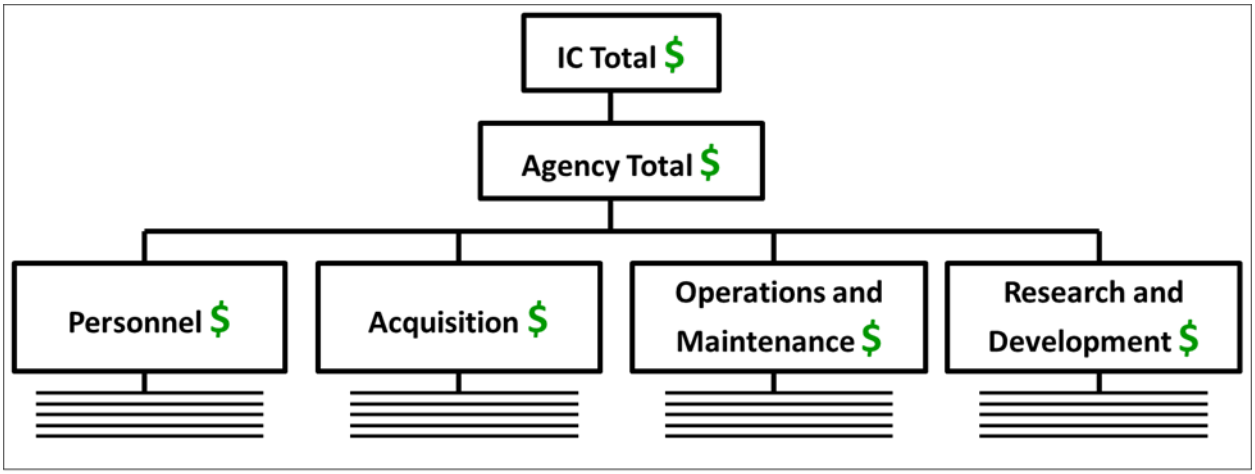

Figure 1. Notional IC Budgetary Structure

In order to maximize its descriptive value, a budgetary analysis of the IC should analyze data across a period of many decades measured in constant dollars. In 2011, RAND's Arroyo Center conducted such an analysis of the U.S. Army budget.[11] By looking at the Army's budgetary outlays from FY1950 to FY2010, the researchers found that the budget has followed a cyclical trend with peaks and valleys separated by an average of twenty years. While this cyclical trend was visible across the major budgetary categories, the categories varied in terms of the size of previous cuts and the speed with which these cuts were implemented. In times of cuts, Army outlays for personnel declined by 40-60 percent over a period of sever to ten years. By contrast,

[11] Carter Price, Aaron Martin, Edward Wu, and Christopher Pernin, "Where Might the U.S. Army Budget Go, and How Might it Get There?" *Occasional Paper 331* (Santa Monica, CA: RAND Corporation, 2011).

outlays for O&M and acquisition declined by 70-100 percent and 400-600 percent, respectively, in one to two years.[12] Thus, in the Army's case, it takes much longer to implement personnel cuts than cuts to other major categories.

Ideally, a budgetary analysis of the IC would follow a similar methodology, analyzing historical trends in the IC's top line budget, total outlays for each agency, outlays across the major accounts for each agency, and outlays within the major accounts for each agency. Identifying trends in these areas would enhance our understanding of how intelligence budgets have changed over time. With this information, policymakers and IC officials could better forecast the breadth and depth of the upcoming era of fiscal austerity. Additionally, they could correlate the historical trends with past cases of intelligence failure and success. This would allow for the identification of causal relationships (or lack thereof) between budget cuts and IC effectiveness.

MEASURES OF EFFECTIVENESS

Maintaining effectiveness in the current fiscal environment remains a daunting task. The IC must collect against new targets requiring new collection methods; meet international and interagency sharing requirements; cooperate with state and local service and law enforcement agencies; and accomplish all these new tasks while continuing to meet military and tactical intelligence

[12] The Arroyo analysis did not focus on Army spending for R&D because it accounts for less than 10 percent of the budget and tends to be relatively constant.

requirements.[13] Given data limitations, this study evaluated intelligence effectiveness through a framework based upon the ODNI intelligence cycle.[14]

Effectiveness was measured by a specific set of criteria at the following steps of the cycle: planning and direction, collection, process and exploitation, analysis and production, and dissemination and integration. The easiest way to judge effectiveness is by goal completion or outcomes (e.g. success versus failure). [15] However, goals of intelligence organizations are not always clearly stated and analysis based solely on success or failure tends to miss or drastically understate effectiveness at each stage of the intelligence cycle. Therefore, it is necessary to examine effectiveness at each stage of the cycle, instead of examining only the end result of the cycle.

Planning and Direction. The planning and direction step requires intelligence consumers to generate informational requirements and communicate their needs to a particular intelligence organization.[16] These informational requirements are used to generate and prioritize missions.[17] Effectiveness was measured by how well policymakers communicated their needs to the appropriate intelligence agencies, and whether or not the specified agency then prioritized correctly. To this end, the following questions were asked of each case study: Did policymakers task the proper agency? Was the nature of the problem communicated? Was a clear deadline for deliverables established? Were the informational needs of the policymaker communicated? And

[13] Tactical intelligence requirements are attempts to detect and deter specific threats to U.S. interest; the objective is to avoid incident surprise and thus block or blunt damage Jack, Davis, "If Surprise is Inevitable, What Role for Analysis?" *Sherman Kent Center for Intelligence Analysis*, Vol 2, No. 1 Jan. 03. For new challenges facing the IC see Robert Behrman, "Structure and Effectiveness of Intelligence Organizations," (Pittsburgh, PA: Carnegie Mellon University).

[14] The intelligence cycle is the process of developing raw information into finished intelligence for consumbers to use in decision making and action. Director of National Intelligence, "National Intelligence: A Consumer's Guide" 2009. http://www.dni.gov/reports/IC_Consumers_Guide_2009.pdf 17

[15] Behrman, "Intelligence Organizations," 9.

[16] Behrman, "Intelligence Organizations," 2.

[17] Here the tasks are generated for each mission the IC is asked to fulfill. These tasks have certain attributes: criterion (type of unit that must accomplish the task), problem, time, deadline, and priority. Behrman, "Intelligence Organizations," 4.

was a priority for completion established? The most difficult element of planning and direction is establishing the correct prioritization. Presidents and policymakers establish requirements and priorities based on foreign policy objectives and perceptions of the threats and challenges facing the nation.[18]

The prioritization process currently occurs through the National Intelligence Priorities Framework (NIPF).[19] The DNI uses this process to put forth guidance to the IC regarding prioritization based on presidential guidance.[20] The NIPF consists of the following: intelligence topics reviewed by the National Security Council (NSC) Principals Committee; a process for assigning priorities to countries and non-state actors relevant to approved taskings; and a matrix showing these intelligence priorities designed to ensure long-term intelligence issues are addressed.[21]

Collection. Once a prioritization of missions has been established and implemented through the NIPF process, a collection plan is developed to meet policymaker directives. Collection is the gathering of raw data to be used in the production of finished intelligence sources.[22] IC effectiveness during the collection step was measured by the following: the use of all available platforms, targeting of the correct activity, any change in access to collection platforms, integration of collection efforts, and prioritization.[23] IC member agencies "associate

[18] Paul Kennedy, *Of Knowledge and Power: The Complexities of National Intelligence* (Westport: Praeger Security International, 2008), 12.
[19]The NIPF is updated semi-annually in coordination with IC elements, the National Intelligence Council, and other internal components of the ODNI. Ad hoc adjustments are made to reflect changes in world events and policy priorities. Director of National Intelligence, "2009 National Intelligence: A Consumer's Guide," 20.
[20] Ibid.
[21] Ibid
[22] Director of National Intelligence, "2009 National Intelligence," 17.
[23] Prioritization is given the tasking provided earlier, did the IC establish the right allocation for access to time sensitive platforms.

intelligence collection requirements with NIPF priorities and report to the DNI of their coverage of NIPF priorities."[24]

Processing and Exploitation. Once the intelligence has been collected, it must then be converted from raw data into usable material for intelligence analysis. The IC converts information into a usable format, through processes such as language translation or decryption.[25] Effectiveness in this step was measured by considering the following factors: the timeliness of the conversion of raw data, the success of getting the initial report distributed to the correct agency for analytical consumption, the accuracy of the data conversion, the provision of tactical awareness, the conversion is mission appropriate, the processor's ability to separate pertinent information from background noise, and the accuracy of prioritization.

Analysis and Production. Once the intelligence has been converted into a usable format, analysts must create a finished intelligence product. This includes drafting reports, resolving data conflicts, integrating intelligence, and conducting strategic and tactical analysis.[26] Intelligence analysts must be able to distinguish important information from the background noise and see through denial and deception tactics to be effective.[27] Additionally, analysts must avoid engaging in groupthink, wishful thinking, or the biasing of products to please superiors.[28] Analysts face a multitude of limitations that can undermine their ability to be effective. These include the lack of strategic vision earlier in the intelligence cycle, unclear priorities, inability to thoroughly penetrate the target, determining credibility of sources, and organizational biases toward one type

[24] Director of National Intelligence, "2009 National Intelligence," 20.
[25] Director of National Intelligence, "2009 National Intelligence," 18.
[26] Strategic analysis provides information to inform policymakers on general security preparedness to prevent or limit damage. Jack Davis, "If Surprise is Inevitable, What Role for Analysis?" *Sherman Kent Center for Intelligence Analysis*, Vol 2, No. 1 (January 2003).
[27] Paul Kennedy, *Of Knowledge and Power*, 77.
[28] Ibid.

of intelligence or technology.[29] These limitations are visible in the following situations: analyst-collector disconnect, the presence of too little or too much information, falling victim to enemy denial and deception tactics, exhibiting cognitive bias, falling victim to worst-case analysis, lack of competence, or the inability to think strategically.[30]

Intelligence reports must have certain effectiveness attributes: criterion, problem, accuracy, perishability, sensitivity, and length.[31] Analysis and production is effective when: the correct agency generates the response, analysts integrate all available information, the nature of the problem was communicated effectively by tasking authorities, analysts exhibit strategic awareness, report lengths facilitate customer consumption, and reports are accurate. Concerning the latter, accuracy is determined by the intelligence analysts' ability to reduce uncertainty about past developments and prospects for future developments.[32]

Dissemination and Integration. Once a finished product has been completed, the intelligence report must then be distributed to intelligence customers.[33] Sherman Kent once observed that the IC must strike a balance in its relationship with policymakers, remaining distant enough to prevent the biasing of intelligence, but close enough to receive timely feedback and guidance. [34] Robert Gates spoke to this balance and recommended that intelligence officers be closely engaged with policymakers to understand issues, policy objectives, and the inner

[29] Ibid. 79
[30] An example of disconnect comes in the case of 9/11 where the NSA did not forward intelligence information throughout the IC, the inability of agencies to communicate with each other. Ibid 82; too little information stems from a focus on limited resources, or when overreliance on one type of intelligence causes the source to be the target of enemy counter-intelligence efforts. Too much information is identified by the Jeremiah report detailing the deluge of information generated by the nation's satellite information overwhelming the overworked and under-trained analysts. Ibid 85, 86; Referring to the way analyst develop attitudes and beliefs about phenomena based upon experiences and biases. This pernicious side of cognitive bias undermines individuals capacity to think beyond the initial interpretation of a given situation. Ibid. 101.
[31] Criterion if the correct agency generated the report based on a specific tasking, perishability refers to how long it takes the report to lose value, and length is how long it takes the consumer to process the information. Berhman, 4
[32] Jack Davis, "If Surprise is Inevitable, What Role for Analysis?"
[33] Director of National Intelligence, "2009 National Intelligence," 19.
[34] Jack Davis, "Improving CIA Analytic Performance: Analysts and the Policymaking Process," *The Sherman Kent Center*, Vol. 1, No. 2, (September 2002).

workings of the policymaking process. [35] Bearing this guidance in mind, the following questions were asked to evaluate effectiveness during dissemination and integration: was the report delivered to the correct policymaker? Was the report useful in the policymaking process? Was the report delivered in a timely manner? And, was the report accurate? [36]

Case Study Selection

To address the research questions posed within this project, this report assesses the effectiveness of the IC in three previous eras of budgetary reduction. As aforementioned, the exact details of past and current intelligence agencies budgets are classified or heavily redacted in their declassified formats, thereby complicating the precise identification of past eras of reduction. To overcome this hurdle, this study observes that the IC budget is closely related to the defense budget and likely follows a similar pattern of expansion and contraction. Additionally, there is anecdotal evidence available that sheds some light on the nature of past cuts to the IC. Based on these observations, three pasts eras of budgetary reductions are identified:[37]

- **1945-1950:** This timeframe saw the drastic reduction in defense spending following the conclusion of the World War II (WW2), while the U.S. federal government instituted its first peacetime IC. A wartime peak budget of $40+ million for the Office of Strategic Services (the WW2 predecessor to the CIA) in 1945 was reduced to just $12 million of decentralized funding for Central Intelligence Group (CIG) by 1947.[38] Furthermore, cuts were widespread and severe, as illustrated by an 80 percent reduction to cryptology capacity.[39]

[35] Ibid.
[36] Timeliness and actionability are different categories, as a report could be delivered in a timely manner, before a deadline, but prove to be worthless in the decision making process.
[37] Bruce D. Berkowitz, and Allan E. Goodman, *Strategic Intelligence for American National Security* (Princeton, NJ: Princeton UP, 1989), 143-148.
[38] Rep. Cannon (MO). "National War Agencies Appropriation Bill, 1946," 79th Cong., 1st sess., 1945. Report No. 653. Congressional Record (ProQuest). (June 1, 1945). "Michal Warner, ed., *CIA Cold War Records: The CIA under Harry Truman*, (Washington, D.C.: CIA History Staff: Center for the Study of Intelligence, 1994), xiv, 59.
[39] Matthew M. Aid, *The Secret Sentry: The Untold History of the National Security Agency* (New York: Bloomsbury, 2009), 25.

- **1974-1979:** The IC in this era was doubly affected by the drawdown following the Vietnam War and the series of congressional hearings critical of the community's practices. Embassy and consulate closures throughout Central and South Asia reduced the forward deployment of intelligence assets and resources, the CIA cut 820 case officers, and the DIA reduced its overall manpower by 31 percent.[40]

- **1997-2002:** The "peace dividend" following the end of the Cold War had far reaching impacts on the IC. Within an overarching 25 percent IC-wide manpower cut, the CIA faced a 16 percent manpower cut, with major reductions to human intelligence (HUMINT) and analytical capacity.[41]

From these three eras, seven case studies are identified for analysis. These cases meet the following criteria: 1) they occurred during an era of budgetary reduction to the IC; 2) they are readily identified as major successes or failures by the IC as evidenced by the fact that the community has analyzed these cases to determine the causes of success or failure; and 3) they offer degrees of variance across our analytic framework regarding how, where, and why the IC was effective or ineffective, thus allowing for conclusions as to the effect of budgetary reductions on the actions of the IC.

The following seven cases presented for analysis are as follows:

- The ability of the IC to effectively identify and deter Soviet activities to influence the **1948 Elections in Italy**.

- The failure of the IC to properly identify and assess the conditions facilitating the **1950 North Korean Invasion of South Korea** would take place.

[40] William Daugherty, "Behind the Intelligence Failure in Iran," *International Journal of Intelligence and Counterintelligence*, Vol.14, No. 4 (2001): 453-454; Robert Gates, *From the Shadows*, (New York: Simon and Schuster Inc., 1997), 139; Christopher Andrew, *For the President's Eyes Only: Secret Intelligence and the American Presidency from Washington to Bush* (New York: HarperCollins Publishers, 1995): 434; Stansfield Turner, *Secrecy and Democracy: The CIA in Transition* (Boston: Houghton Mifflin, 1985): 195-205; Defense Intelligence Agency, *History: 50 Years of Excellence in Defense of the Nation* http://www.dia.mil/history/.

[41] National Commission on Terrorist Attacks upon the United States, *Written Statement for the Record of the Director of Central Intelligence.* March 24, 2004, 24-26; Jason D. Ellis and Geoffrey D. Kiefer. *Combating Proliferation: Strategic Intelligence and Security Policy*, (Baltimore, MD: The Johns Hopkins University Press, 2004), 95.

- The inability of the IC to detect civil discontent culminating in the **1979 Iranian Revolution**.
- The IC's misperception of events leading to and surrounding the **1979 Soviet Invasion of Afghanistan**.
- The misguided efforts of the IC preceding the **1998 Indian Nuclear Tests**.
- The failure of the IC to properly analyze and integrate bountiful information prior to the **September 11th Terrorist Attacks**.
- The success of the IC in directing operations during the first six months of **Operation Enduring Freedom**.

The chart is a visual representation of where each case study falls in fluctuations to DOD spending trends.

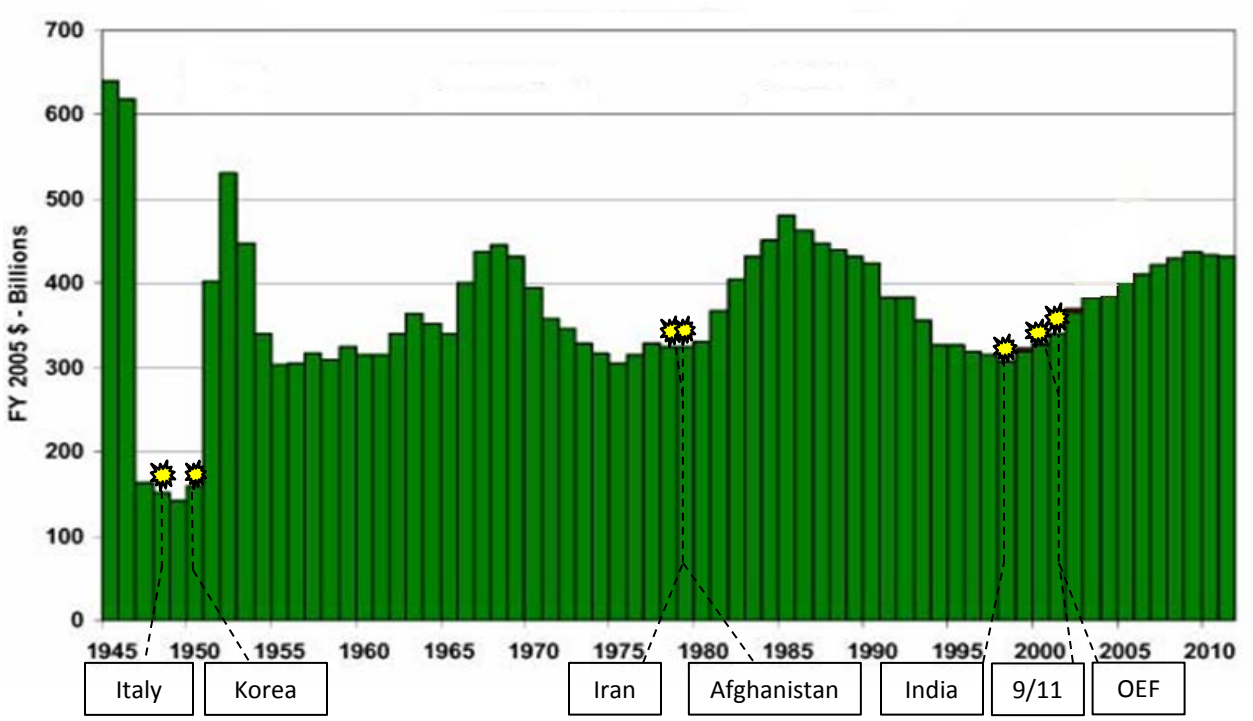

Figure 2. Case Studies and the Defense Budget. Source: Presidential Defense Budget Request, 2006.

ERA ONE, 1945-1950

> It had become apparent…that during the between-wars interim we have lost, through neglect, disinterest and possibly jealousy, much of the effectiveness in intelligence work that we acquired so painfully in World War II. Today, our intelligence operations in Korea have not yet approached the standards that we reached in the final year of the last war.
>
> --General A. James Van Fleet, Commanding General 8th Army, June 1952[42]

This sentiment, put so eloquently, illustrates the erosion of intelligence effectiveness during this era. This lack of effectiveness was driven largely by the massive budgetary reductions put into place following the cessation of WW2 hostilities. At the time, the IC was undergoing comprehensive restructuring, with new agencies being created to meet emerging threats. The postwar period was characterized by contradictory problems, namely "escalating requirements for accurate information, rapid demobilization of skilled personnel, severe budget cuts, the need for expensive processing machines, and a new adversary."[43] There is relatively little information available on the COMINT budgets for this period. However, $22 million in additional funding was requested in 1948, and $11.6 million was requested half a year later.[44] Both requests were denied.

Italian Elections, 1948

At the conclusion of WW2 the IC was massively scaled back and restructured. During this period, the IC had to deal with reduced funding and reorganization brought upon by

[42] Thomas Johnson, *American Cryptology during the Cold War, 1945-1989: Book I – The Struggle for Centralization 1945-1960.* (Fort Meade: National Security Agency, Center for Cryptologic History, 1995), 36. http://www.nsa.gov/public_info/_files/cryptologic_histories/cold_war_i.pdf
[43] David A. Hatch and Robert Louis Benson. 2009. "The SIGINT Background."(National Security Agency, 2009). http://www.nsa.gov/public_info/declass/korean_war/sigint_bg.shtml
[44] Ibid.

congressional legislation and executive order, when the U.S. was facing increasing pressure from Soviet expansionism. The IC would be tested by the Soviets in the Italian election of 1948 where the IC played a critical role in influencing the general elections held on 18 April 1948. The IC was able to effectively work through each step of the intelligence cycle, ultimately securing the electoral defeat of the Communist Party of Italy.

PLANNING AND DIRECTION: EFFECTIVE

Planning and direction was effective because the Italian election was identified as the top priority for the IC. In December 1947, the first numbered document produced from the National Security Council, NSC 1/1, noted that "the Italian Government, ideologically inclined toward Western democracy, is weak and is being subjected to continuous attack by a strong Communist Party." Further, it was decided that the U.S. should counter Communist propaganda in Italy with information operations and other means.[45] A plan was quickly developed and assets surged to meet the challenge. Shortly after the first NSC meeting, the "Truman administration organized circa $10 million in clandestine aid to the Christian Democratic Party, other centrist parties, and trade unions."[46]

COLLECTION: EFFECTIVE

Intelligence collection was effective because the IC was able to use intelligence assets, integrate efforts, and properly target collection activities. On 23 July 1947, the CIG, the predecessor to the CIA, issued its earliest intelligence estimate entitled "Soviet Foreign and Military Policy." This report correctly described the Kremlin's policy towards Italy as one that was "seeking major

[45] Christopher Andrew, *For the President's Eyes* Only, 171.
[46] Kaeten Mistry. "Approaches to Understanding the Inaugural CIA Covert Operation in Italy: Exploding Useful Myths." *Intelligence and National Security*, (April-June 2011) 254.

influence, if not control, by political means."[47] The CIG also focused its assets on targets specific to the Italian elections, issuing a report on 5 August 1947, entitled "Probable Soviet Reactions to US Aid Program for Italy." This estimate correctly described the Italian communist strategy of attempting to gain power through the electoral process, specifically by describing links between the communist party, labor unions, and industry.[48]

PROCESS AND EXPLOITATION: EFFECTIVE

Process and exploitation was effective because the IC was able to get initial reports out early enough to influence the policymaking process of the national security apparatus. On 5 March 1948, the CIA produced a follow-on report to the CIG's abovementioned report entitled "Consequences of Communist Accession to Power in Italy by Legal Means." This report articulated the Soviet's desire to avoid over action or civil war. Instead, Moscow preferred winning at the ballot box. The intelligence estimate also identified financial linkages between the Soviet Union and the Communist Party of Italy.[49]

ANALYSIS AND PRODUCTION: EFFECTIVE

Analysis and production was effective because the IC clearly communicated the nature of the problem, informing the development of follow-on operations that would influence the outcome of the elections. Solid cooperation with other government agencies also contributed to the effectiveness of analysis and production. The intelligence was promptly received by

[47] Office of Reports and Estimates, *Soviet Foreign and Military Policy*, (Washington, DC: Central Intelligence Group, 23 July 1946).
[48] Office of Reports and Estimates, *Probable Soviet Reactions to US Aid Program for* Italy, (Washington, DC: Central Intelligence Group, 5 August 1947).
[49] Office of Reports and Estimates, *Consequences of Communist Accession to Power in Italy by Legal* Means, (Washington, DC: Central Intelligence Agency, 5 March 1948).

policymakers, allowing them to act in a timely manner. From the outset, the president, his chief advisors, and cabinet officials were receiving, deliberating upon, and taking action on accurate intelligence. This was aided by the fact that the Truman administration was focused on the threat the Soviets posed to the reconstruction of Europe.

DISSEMINATION AND INTEGRATION: EFFECTIVE

Integration and dissemination was effective because the IC was able to integrate its efforts throughout the whole of government. From the earlier stages, government officials coordinated their efforts and shared information. The IC integrated its efforts between the Defense and State Departments, thus leveraging their combined knowledge and assets to create collection synergy. Frank Wyatt, a career CIA officer who played a significant role in the operation stated, "We had a wealth of intelligence on Christian Democrats, Republicans, Liberals and Social Democrats, thanks to excellent political reporting from the American Embassy, because CIA was not in the business of reporting in those earlier days."[50]

Korean Invasion, 1950

American intelligence interests and attention, refocused on the Soviet threat after WW2, were not to be rewarded.[51] The next conflict was in Korea, one the US was wholly unprepared to fight. American forces had begun a slow draw down of forward military deployments following WW2, and the American military presence on the peninsula had dwindled down to approximately

[50] F. Mark Wyatt, *Marshall Plan Episode from the National Security Archive at George Washington University* (15 February 1996).
[51] Thomas Johnson, *American Cryptology*, 36.

30,000 by 1948.[52] At a January 1950 press conference, Secretary of State Dean Acheson, described the American sphere of influence in the Pacific and implicitly excluded Korea.[53] By June 1950, the U.S. Army was reduced to a 500-man Korean Military Aid Group (KMAG) while the 50,000-man Republic of Korea (ROK) "constabulary" was left devoid of heavy military equipment.[54] The American contingency plan for the peninsula was to evacuate all dependents to Japan.[55] At 330 hours on Sunday morning, 25 June 1950, Captain Joseph Darrigo, a KMAG military advisor to ROK posted at Kaesong was awoken by the roar of artillery; the North Korean invasion had begun.[56]

PLANNING AND DIRECTION: PARTIALLY EFFECTIVE

Planning and direction was partially effective in the run-up to the Korean War. The CIG was focused on the Korean Peninsula as evidenced by the multiple reports on Korea by the CIG and its successor. Despite this focus, the CIA had listed the Korean peninsula as fifth on a list of problem areas facing the United States in 1948.[57] There was a lack of national interest in the Korea situation.[58] There were no high-priority national intelligence requirements on Korea, and the only requirement was to keep track of Soviet interest in the peninsula.[59] The U.S. communications intelligence (COMINT) agencies did not have any focus on Korea, a condition that significantly impacted the rest of the intelligence cycle.[60]

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[52] Ibid.
[53] Ibid, 39.
[54] The United States purposefully left the ROK forces without heavy military equipment to prevent South Korea from launching an invasion against North Korea. Ibid.
[55] Ibid.
[56] Ibid, 40.
[57] Thomas Johnson, *American Cryptology*.
[58] Ibid, 39.
[59] Ibid.
[60] Matthew M. Aid, *The Secret Sentry*, 25.

COLLECTION: PARTIALLY EFFECTIVE

The 25 June 1950 invasion of South Korea occurred due to a dearth of accurate, timely, and actionable intelligence that pertained to North Korean actions and intentions. Although intelligence was obtained from multiple sources, the most relevant intelligence platform in this case, COMINT, was not used.[61] The Armed Forces Security Agency (AFSA), one of several agencies tasked with collection of COMINT, did not have the finances, personnel, or resources to cover North Korea's communications in any relevant way.[62] Because of this deficit in COMINT, the IC was unable to accurately predict the invasion.

PROCESS AND EXPLOITATION: PARTIALLY EFFECTIVE

The CIA's reports were partially accurate and did demonstrate some tactical awareness of what was happening on the Korean Peninsula. In January 1947, the CIG produced an Office of Reports and Estimates (ORE) study titled "The Situation in Korea." This report, in addition to providing a snapshot of the economic and political factors on the Korean peninsula, stated the concern of a high-ranking U.S. military official about a possible North Korean invasion using "mass infiltration, rather than a military expedition."[63] There is also evidence that the CIA integrated intelligence from other agencies in the IC.[64]

[61] With the exception of Foreign Broadcast Information Service's (FBIS) summaries of Radio Pyongyang, it remains unclear from where the intelligence in other CIG and later CIA reports about Korea originated. See: Central Intelligence Agency. *Prospects for the Survival of the Republic of Korea*. ORE 44-48. (October 28, 1948). Baptism by Fire: CIA Analysis of the Korean War. http://www.foia.cia.gov/KoreanWar/EstimatesMisc/NIEEstimates/1948-10-28.pdf (accessed February 12, 2012), 1.
[62] Matthew M. Aid, *The Secret Sentry*, 20, 25-26.
[63] Central Intelligence Group, "The Situation in Korea, ORE 5/1", in *Baptism by Fire: CIA Analysis of the Korean War*, (3 January 1947), 9. http://www.foia.cia.gov/KoreanWar/EstimatesMisc/NIEEstimates/1947-01-03.pdf (accessed February 12, 2012).
[64] Central Intelligence Agency, "Prospects for the Survival of the Republic of Korea, ORE 44-48", in *Baptism by Fire: CIA Analysis of the Korean War*, (28 October 1948), 1. http://www.foia.cia.gov/KoreanWar/EstimatesMisc/NIEEstimates/1948-10-28.pdf (accessed February 12, 2012).

ANALYSIS AND PRODUCTION: INEFFECTIVE

The CIA correctly noted that Soviet and North Korea's strategic goal towards South Korea was "the elimination of the Southern Republic of Korea" as an independent entity.[65] Furthermore, the CIA attempted to explain why a military invasion had not yet occurred.[66] However, in the same report, the CIA seemed to contradict itself, saying that North Korea's military could capture Seoul but that external assistance would be required for North Korea to defeat South Korea.[67]

Another analytical failure pertained to the relationship between a prospective invasion and the presence of U.S. troops in Korea. The CIA reported in 1949 that an invasion by North Korea was probable if the US were to withdraw its troops before South Korean forces were capable of defending themselves.[68] This was due to the South Korean military's perceived weaknesses that required time to overcome.[69] In the report, the U.S. Army's Intelligence Division said that it "does not believe that US troop withdrawal would be the major factor in the collapse of Korea" and that "an invasion is a possibility rather than a probability."[70]

The United States withdrew the last of its forces from South Korea on 29 June 1949.[71] In January 1950, the CIA observed a North Korean troop buildup "toward the 38th parallel," but dismissed "the possibility of an invasion . . . [as] unlikely unless North Korean forces can

[65] Central Intelligence Agency. "Current Capabilities of the North Korean Regime, ORE 18-50", in *Baptism by Fire: CIA Analysis of the Korean War*, (19 June 1950), 13. http://www.foia.cia.gov/KoreanWar/EstimatesMisc/NIEEstimates/1950-06-19.pdf (accessed on February 19, 2012).
[66] Ibid.
[67] Ibid, 1.
[68] Central Intelligence Agency, "Consequences of US Troop Withdrawal from Korea in Spring, 1949, ORE 3-49", in *Baptism by Fire: CIA Analysis of the Korean War*, (28 February 1949), 1. http://www.foia.cia.gov/KoreanWar/EstimatesMisc/NIEEstimates/1949-02-28.pdf (accessed February 12, 2012).
[69] Ibid, 2.
[70] Ibid, 7.
[71] Michal Warner, ed., *CIA Under Harry Truman* Records, xliv.

develop a clear-cut superiority over the increasing South Korean Army."[72] This report excerpt gives the impression that the CIA believed the South Korean army could withstand a North Korean attack. In essence, analysis failed because the IC underestimated the strength and resolve of the enemy while overestimating the capabilities of South Korea.

Finally, there appears to have been no tactical intelligence warning, and the reporting of the start of the invasion was ineffective. When a reporter in Seoul received word of the initial invasion, he rushed to the American embassy for confirmation. The reporter sent off a wire, while the American ambassador was encrypting his cable. Policymakers learned of the invasion of South Korea through the American press.[73] In March 1950, an Army organization called the Intelligence Indications Steering Committee cited the possibility of military activity sometime in 1950.[74] But this report was ignored because it faced a general disbelief in the IC that Korea presented a real problem.[75]

DISSEMINATION AND INTEGRATION: INEFFECTIVE

Although the CIA's reports, as evidenced by their distribution lists, were targeted to the right customers, they failed to give the consumer timely, accurate, and actionable intelligence. The failure of analysts to accurately predict the invasion negatively impacted the ability of the IC to integrate its flawed analysis into policy directed at the Korean peninsula.

[72] Central Intelligence Agency, "Far East: Soviet Relations; Korea: Troop Buildup", in *Assessing the Soviet Threat: The Early Years*, (January 13 1950), 155. https://www.cia.gov/library/center-for-the-study-of-intelligence/csi-publications/books-and-monographs/assessing-the-soviet-threat-the-early-cold-war-years/5563bod3.pdf (accessed on January 30, 2012).
[73] Thomas Johnson, *American Cryptology*, 40.
[74] Ibid, 39.
[75] Ibid, 39.

ERA TWO, 1974-1979

During this era, the IC experienced a series of budgetary reductions as a result of the post-Vietnam drawdown and the public outcry spawned by the shocking revelations of the Church and Pike commissions. Despite the limited availability of IC budget data, a handful of known cuts illustrate that the IC faced substantial resource reductions in the 1970s. The DIA, for instance, experienced a thirty-one percent across-the-board reduction in manpower.[76] The resulting manpower shortage was intensified by major advances in collection technology that exponentially increased the amount of raw data analysts had to process.[77] At the same time, CIA experienced gradual cuts that forced stations in Southwest Asia to focus collection on Soviet and Chinese communist targets.[78] The agency's constraints were further exacerbated when President Carter's Director of Central Intelligence (DCI) Stansfield Turner announced the elimination of 820 positions from the Directorate of Operations (DO) in October 1977.[79] Many current and former DO case officers believe this action crippled the CIA's human intelligence (HUMINT) collection efforts for years to come.[80]

Interagency competition for scarce resources was also evident during this era. For example, DCI Turner attempted to cut the National Security Agency's (NSA) $1.3 billion budget in 1977. NSA Director (DIRNSA) Bobby Ray Inman responded with an intensive lobbying effort at the White House, an effort that led Inman to violate NSA's unwritten rule prohibiting

[76] Defense Intelligence Agency, *History: 50 Years of Excellence in Defense of the Nation* http://www.dia.mil/history/.
[77] Ibid.
[78] William Daugherty, "Behind the Intelligence Failure in Iran," 453-454.
[79] Christopher Andrew, *For the President's Eyes Only*, 434; Stansfield Turner, *Secrecy and* Democracy, 195-205.
[80] Robert Gates, *From the Shadows*, 138.

on-the-record interviews.[81] In the end, Inman succeeded in securing additional funding for NSA (a $100 million appropriation to modernize worldwide SIGINT collection efforts), and this inflamed interagency rivalries within the IC.[82]

These examples of resource reduction and competition reinforce the view that the IC faced dwindling budgets when the religious opposition fomented revolution in Iran and the Soviet military invaded Afghanistan.

Iranian Revolution, 1979

The IC's failure to provide early warning of the Iranian Revolution is widely considered one of the community's greatest intelligence failures. Carter Administration officials, the president included, later cited inaccurate intelligence reporting from summer and fall 1978 as evidence of the failure.[83] Copious amounts of declassified intelligence reports confirm that analytical failures contributed to the administration's lack of awareness regarding Iran's deteriorating political situation.[84] However, these analytical failures resulted from a policymaker failure to prioritize the Iranian mission set appropriately. As aforementioned, the IC struggles to maintain effectiveness when failures occur during the tasking phase of the intelligence process.

PLANNING AND DIRECTION: INEFFECTIVE

[81] Matthew Aid, *The Secret Sentry, 162*.
[82] Bob Woodward, *Veil: The Secret Wars of the CIA* (New York: Simon and Schuster Inc., 1987), 71-72.
[83] Jimmy Carter, *Keeping Faith: Memoirs of a President* (New York: Bantam Books, 1982):, 438-440. The most well-known example was a CIA report from August 1978 entitled "Iran After the Shah." This report contained the now-infamous line "Iran is not in a revolutionary or even prerevolutionary situation." Report excerpt in Robert Jervis, *Why Intelligence Fails: Lessons from the Iranian Revolution and the Iraq War* (Ithaca, NY: Cornell University Press, 2010), 45-46.
[84] For examples, see Robert Jervis, *Why Intelligence* Fails, 15-122; Daugherty, "Behind the Intelligence Failure in Iran," 449-484; Eric Hooglund, ed., *Iran: The Making of U.S. Policy, 1977-1980* (Washington, D.C.: National Security Archive, 1990). The collection is available online through the Digital National Security Archive, http://nsarchive.chadwyck.com/collections/content/IR/intro.jsp.

In the 1970s, consecutive presidential administrations (of both parties) failed to direct the IC to collect and analyze intelligence on Iranian domestic politics. This lack of prioritization is commonly attributed to an acceptance of the "Pahlavi Premise," or the belief that the Shah remained strong and would weather the storms of 1978-1979 as he had previously.[85] Carter Administration officials neither created nor challenged the Pahlavi Premise. In their view, Iran's significance paled in comparison to other strategic challenges of the time, including peace negotiations between Egypt and Israel, normalization of relations with China, and SALT II negotiations with the Soviet Union.[86] This prioritization failure was repeated by intelligence officials. As William Daugherty describes, collection efforts will not be initiated "if the policymakers have not asserted a need for the intelligence, and if no agency validation process has justified the expenditure of manpower and resources."[87] No effort was made to address this tasking failure until President Carter's infamous note to DCI Turner criticizing the quality of the IC's "political intelligence."[88]

COLLECTION: INEFFECTIVE

[85] James Bill, *The Eagle and the Lion: The Tragedy of American-Indian Relations* (New Haven: Yale University Press, 1988), 435-440. As Bill describes it, the Pahlavi Premise was rooted in the belief of the Shah's invincibility. The premise was supported by three assumptions: the Shah was a friend of the United States, the Shah loved and supported by the majority of his people, and the Iranian opposition was composed of a few extremists who could easily be controlled by the Shah's security forces.

[86] Zbigniew Brzezinski, *Power and Principle: Memoirs of the National Security Adviser 1977-1987* (New York: Farrar, Straus & Giroux, 1983), 358; Gary Sick, *All Fall Down: America's Tragic Encounter with Iran* (New York: Penguin Books, 1985), 44-49, 76-77; Stansfield Turner, *Secrecy and Democracy: The CIA in Transition* (Boston: Houghton Mifflin, 1985), 114-116.

[87] William Daugherty, "Behind the Intelligence Failure in Iran," 453.

[88] The note, dated 11 November 1978, read as follows: "To Cy, Zbig, and Stan: I am not satisfied with the quality of our political intelligence. Assess our assets as soon as possible and give me a report concerning our abilities in the most important areas of the world. Make a joint recommendation on what we should do to improve your ability to give me political information and advice" (Quoted in Christopher Andrew, *For the President's Eyes Only*, 439). By mid-November 1978, the intelligence failure had already occurred. Furthermore, even this note failed to provide the specificity required for effective tasking, leaving the IC without guidance on who, what, and where to focus collection assets.

Given the budgetary constraints facing the IC, Iran's low prioritization did not warrant the application of limited resources. As a result, capabilities available to the Iranian mission set suffered. Limited collection efforts were SIGINT-focused because the NSA maintained two listening posts that were critical in monitoring the development of the Soviet ballistic missile program.[89] Collection of information concerning Iran's internal political situation was virtually non-existent as neither the US embassy nor the CIA station provided substantial raw intelligence until the revolution was well underway.[90] Ironically, when the crisis began boiling over, DCI Turner cited the atrophy of US intelligence capabilities as a primary cause of the failure.[91]

PROCESSING AND EXPLOITATION: INEFFECTIVE

The Tehran embassy is credited with providing adequate tactical awareness of the situation on the ground during the revolution. According to NSC staffer Gary Sick, the "embassy had done a good job of reporting the basic facts, keeping Washington aware of the daily news about strikes, demonstrations, and the like . . . [but] there was very little digging below the surface."[92] While extensive "digging below the surface" is not necessarily required during processing and exploitation, embassy reporting on the tactical situation came from a limited scope of sources

[89] For the Carter Administration, these sites were critical to the SALT II verification process.
[90] A House of Representatives post-mortem on the intelligence failure found that Washington-based CIA analysts had complained about this dearth of information in the years leading up to the revolution (Corroborated by Robert Jervis, *Why Intelligence Fails*, 85-87). The report concluded that "the critical weakness in intelligence collection on Iran [was] the lack of widespread contact with Iranians of various persuasions, leaders and followers alike" (United States, House of Representatives, Permanent Select Committee on Intelligence, *Iran: Evaluation of U.S. Intelligence Performance Prior to November 1978* (Washington, DC: Government Printing Office, 1979), 5). US Ambassador to Iran William Sullivan tried to address this shortfall by sending embassy officers to Qom to learn more about Iran's religious opposition. When the shah learned of the contact, he quickly protested to the administration, thereby ending the ambassador's initiative and stifling any future collection operations (William Daugherty, "Behind the Intelligence Failure in Iran," 456).
[91] Gary Sick, *All Fall Down*, 104-105; Stansfield Turner, *Burn Before Reading: Presidents, CIA Directors, and Secret Intelligence* (New York: Hyperion, 2005), 170.
[92] Gary Sick, *All Fall Down*, 106-107. It is clear from both Brzezinki's and Sick's memoirs that the NSC relied on the Tehran embassy, Ambassador William Sullivan in particular, as their chief intelligence source throughout the Iran crisis.

and was carefully restricted. As Michael Donovan notes, "Ambassador Sullivan tightly controlled the reporting from the embassy and was himself only gradually convinced of the magnitude of the crisis."[93] Certainly, the failure of intelligence personnel to provide a complete picture of the tactical situation cannot be wholly contributed to planning and direction failures in Washington. Nevertheless, processing and exploitation cannot succeed without complementary successes in the preceding steps of the intelligence cycle.

ANALYSIS AND PRODUCTION: INEFFECTIVENESS

Analytical capabilities also suffered due to resource limitations. The CIA had a dearth of Iranian and Central Asian regional expertise resident in the Directorate of Intelligence (DI), while the State Department's Bureau of Intelligence and Research (INR) and DIA both lacked an Iranian political expert.[94] Inadequate collection, staffing, and expertise all but ensured an analytical failure. As a recently declassified CIA post-mortem of the failure stated, analytical mistakes simply reinforced this reality. Specifically, analysts shared policymakers' preference for the Pahlavi Premise, made non-falsifiable assumptions, misunderstood Islamic fundamentalism and the influence of Ayatollah Ruhollah Khomeini, and failed to appreciate Iranian nationalism and anti-Americanism.[95] These errors inevitably led to flawed finished analyses.[96]

[93] Michael Donovan, "National Intelligence and the Iranian Revolution," *Intelligence and National Security*, Vol. 12, No.1 (1997): 144.
[94] Robert Jervis, *Why Intelligence Fails*, 21-22.
[95] Ibid, 24-25.
[96] Michael Donovan (in "National Intelligence and the Iranian Revolution," *Intelligence and National Security*, Vol. 12, No.1, 1997) challenges the common interpretation of the Iranian failure as an analytical failure, arguing instead that policymakers should take the blame. Donovan uses declassified reports from the *Iran: Making of U.S. Policy, 1977-1980* to argue that the IC, INR in particular, provided accurate reporting on the Shah's instability as early as January 1978. However, Donovan fails to account for the context in which Carter Administration officials received these reports. Other intelligence reports failed to endorse, and in some cases contradicted, the conclusions of reporting cited by Donovan. This left policymakers with a muddled view of the situation in Iran.

DISSEMINATION AND INTEGRATION: INEFFECTIVE

The combination of low prioritization, minimal collection, and flawed analysis prevented the delivery of timely, accurate, and useful intelligence to policymakers, the principal measures of effectiveness at dissemination and integration. By November 1978, Carter Administration officials were infuriated by the lack of solid intelligence on Iran. Zbigniew Brzezinski was "appalled at how inept and vague [DCI] Stan Turner's comments on the Iranian crisis were."[97] NSC staffer Gary Sick concurred, describing the situation as "an intelligence disaster of the first order."[98] Available reporting tended to be ambiguous, contradictory, and descriptive (rather than analytical).[99] The administration's dissatisfaction with the IC led to its exclusion from policy debates in late 1978 and 1979.[100]

[97] Zbigniew Brzezinski, *Power and Principle*, 367

[98] Gary Sick, *All Fall Down*, 104; In response to the criticism, DCI Turner essentially conceded the point, stating that "we [the CIA] were just plain asleep" (Stansfield Turner, *Burn Before Reading*, 180). Of course, neither Brzezinski nor Sick made the connection between the administration's failure to effectively prioritize and task the IC on the front end of the intelligence process with the inadequate reporting they were receiving on the back end.

[99] Illustrative examples available in *Iran: The Making of U.S. Policy, 1977-1980*, include "Iran: Increase in Religious Dissidence," June 1978, item no. IR01404; "Iranian Political Situation – Overt Violence Gives Way to Quiet Rumbling," 13 August 1978, item no. IR01467; "Iran Quiets Down, Prisoners Released," 21 September 1978, item no. IR01539; "Iran: Prospects for Stability," 27 October 1978, item no. IR01623. Additionally, the failed effort to develop a National Intelligence Estimate on Iran reflects the disagreements within the IC on what was happening in Iran. The NSC initiated the process in June 1978, but it proved particularly cumbersome as the CIA, DIA, and INR were unable to reach consensus. The House post-mortem report found that CIA and DIA focused on the military and security services as indicators of regime stability, whereas INR ascribed greater significance to the deteriorating economic situation and popular support to the regime (5). DCI Turner set aside the unfinished NIE in September 1978 because the need for current intelligence on Iran overtook the NIE in level of importance (Sick, 107).

[100] Christopher Andrew, *For the President's Eyes Only*, 430. DCI Turner's access to the president was tightly controlled by Brzezinski. Turner's exclusion from discussions on Iran became apparent in 1979 when he discovered that plans for rescuing the American hostages in Iran were being developed in the White House without his involvement. The DCI had to throw his weight around in order gain access to the planning meetings (Stansfield Turner, *Burn Before Reading*, 172-173). Brzezinski's dissatisfaction with the IC was the primary cause of Turner's exclusion. According to George Ball, who conducted an internal review of the intelligence failure for the NSC, Brzezinski had become his own intelligence source (quoted in Michael Donovan, "National Intelligence and the Iranian Revolution," 157).

Soviet Invasion of Afghanistan, 1979

In July 1973 Sadar Mohammed Daoud, former Prime Minister of Afghanistan, seized control of the government of Afghanistan. He did this with the backing of Soviet-trained Afghan military officers and the Afghan Communist party. This incident incited the development of Afghanistan as a Cold War battlefield.[101] However, by 1977 Daoud's attempt to improve relations with Iran and Pakistan soured his relationship with Leonid Brezhnev.[102] By 1978 the situation had further deteriorated, and Daoud was replaced with the leader of the People's Democratic Party of Afghanistan (PDPA), Hafizullah Amin.[103] Amin then began a purge of former Daoud sympathizers, who then started an insurgency against his government. The Afghan government's inability to deal with this mounting insurgency worsened relations with the Soviet Union. Then, on Christmas Eve 1979, U.S. intelligence reported a massive Soviet airlift was underway in Afghanistan. Within the next 72 hours over 250 to 300 airlift flights deployed between five and six Soviet airborne battalions. On 28 December, these forces took control of Kabul and major cities and transportation hubs. These forces eliminated the existing Afghan government, and installed a puppet government that requested formal military assistance from the Soviet Union comprised of two ground force combat divisions totaling 25,000 troops.[104]

PLANNING AND DIRECTION: EFFECTIVE

Planning and direction was effective because Afghanistan was prioritized as an area in need of attention. However, Afghanistan was less of a priority than the Iranian hostage crisis, SALT-II,

[101] Henry Kissinger, *Years of Upheaval* (Boston: Little, Brown, 1982), 675-677.
[102] Douglas MacEachin, *Predicting the Soviet Invasion of Afghanistan: The Intelligence Community's Record* (Central Intelligence Agency, Center for the Study of Intelligence).
[103] Ibid.
[104] These military forces were already entering Afghanistan when the Soviet request was made. Douglas MacEachin, *Predicting the Soviet Invasion of Afghanistan*.

and the shrinking military capabilities superiority the U.S. enjoyed over the Soviet Union.[105] Nevertheless, the proper intelligence agencies were tasked to provide indications and warning of threatening Soviet military action. This prioritization was initially low, but increased after the Herat incident in March 1979. [106]

COLLECTION: EFFECTIVE

The IC's collection efforts were effective.[107] This success was brought about through a synergy of SIGINT and imagery intelligence (IMINT) combined with the improvement of data quality.[108] This improvement occurred because of continued funding for research and development of collection capabilities.[109] Measurable improvement in technological capacity also occurred due to the appropriation of civilian based technology for the KH-11 satellite and revolutionary optical technology.[110]

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[105] Robert Gates, *From the Shadows.*

[106] A review of CIA analysis of the Soviet invasion of Afghanistan concluded "The USSR's invasion of Afghanistan in December 1979 provided a rare opportunity to test the efficacy of the US warning system in situations involving substantial movements of the Soviets' armed forces outside their borders" (CIA Memoradum, "The Soviet Invasion of Afghanistan: Implications for Warning," October 1980). A portion of an Afghan Army force stationed in Herat defected to the insurgency, while a large segment of the military units refused to fight against their former comrades. The uprising was finally suppressed using other Afghan military units brought in from Kabul. Up to 20 Soviet advisors were killed during the uprising and intelligence indicated they could have been singled out by the defecting Afghan personnel (Douglas MacEachin, *Predicting the Soviet Invasion of Afghanistan*)

[107] The CIA concluded the collection system proved equal to the task of providing detailed, accurate and timely data (Douglas MacEachin, *Predicting the Soviet Invasion of Afghanistan*).

[108] CIA Memoradum, "The Soviet Invasion of Afghanistan: Implications for Warning," (October 1980).

[109] Improvements were made to the flight lifetime for satellites. In 1961 a satellite was airborne fewer than 50 days, in 1975 the United States had 332 days where at least one satellite was operational. The KH-11 also could remain airborne for 770 days, instead of the previous total of 50 days. (Jeffery Tichelson, *A Century of Spies: Intelligence in the Twentieth Century* (New York: Oxford University Press, 1995).

[110] The KH-11 was able to produce real-time imagery intelligence due to the charged coupling device (CCD), which was created by a civilian company. The light from the camera would fall on each CCD for a short, fixed period of time to transform into a proportional electronic change. This was fed into an amplifier that converted the current into a whole number representing a shade of color. The picture was then transmitted as a string of numbers, one from each picture element or pixel. (James Janesick and Morley Blouke, "Sky on a Chip: The Fabulous CCD," *Sky and Telescope*, September 1987, 238-43). The quality of the optics improved due to a higher quality of secondary mirror, which reflected the incoming light for the photograph onto the CCD. The KH-11 contained a ninety-two-inch wide mirror which created higher quality photographs. Without the optical improvements, the CCD would have produced real-time poor quality photographs, reducing the KH-11's effectiveness. (Jeffrey T. Richelson, *America's Secret Eyes in Space: The U.S. Keyhole Spy Satellite Program* (New York: Harper & Row, 1990) 126.

This technological improvement allowed the NSA to improve SIGINT coverage on Soviet communications and resulted in great collection efforts on troop movements, pre-deployment positioning, and military equipment buildups in the Turkoman military district.[111] This technical collection meshed well with HUMINT reports from the embassy in Kabul, detailing the dispersal of a Soviet battalion in Kabul in September of 1979.[112] However, this new technology was creating a growing dependence on technical collection.[113]

PROCESS AND EXPLOITATION: EFFECTIVE

Collection increased while manpower was enduring drastic cut backs, but the IC did not suffer from a collection-processing imbalance. The IC converted the raw data into usable initial reports in a timely and accurate manner.[114] This was possible given the increased importance of the Afghan intelligence mission set and the large amount of Soviet intelligence specialists. This development and maintenance of regional expertise allowed for the fungibility of processing manpower within the Soviet mission set.

ANALYSIS AND PRODUCTION: PARTIALLY EFFECTIVE

The IC failed to challenge their initial assumption on Soviet intent in Afghanistan.[115] A cause could have been due to lack of institutional memory from the Soviet intervention in

[111] Douglas MacEachin, *Predicting the Soviet Invasion of Afghanistan*.
[112] Ibid.
[113] A 1976 study of the intelligence reporting concluded that virtually all the NIE intelligence regarding Soviet strategic and conventional military forces came from SIGINT and satellite imagery. A similar study found that less than 5 percent of the finished intelligence generated by the IC came from HUMINT sources. Matthew Aid, *The Secret Sentry*, 164.
[114] Douglas MacEachin, *Predicting the Soviet Invasion of Afghanistan*.
[115] On the 28th of September, 1979 an Interagency Intelligence Memorandum concluded the Soviets would either provide additional capabilities to their Afghan allies or deploy Soviet military personnel to secure key nodes throughout Afghanistan to support the indigenous Amin regime. Interagency Intelligence Memorandum, *Soviet Options in Afghanistan*, (Central Intelligence Agency), 6.

Czechoslovakia in 1968.[116] The analysis was ineffective because it explained away information that contradicted the initial assumption.[117] The analysts did accurately estimate Soviet doctrine for mobilization and initiation of hostilities.[118] The analysts failed to give strategic warning to policymakers, but did provide tactical warning of the Soviet invasion.[119]

DISSEMINATION AND INTEGRATION: INEFFECTIVE

Dissemination and integration was ineffective as the IC did not provide accurate and timely strategic warning to policymakers.[120] The IC did not accurately report the intentions and implications of Soviet actions in Afghanistan, failing to change their initial assumption until December 27th.[121]

[116] Douglas MacEachin, *Predicting the Soviet Invasion of Afghanistan*

[117] The deployment of anti-aircraft equipment to Kabul in 1979 signaled to some analyst the Soviets intended to conduct regime change, because the only air assets in the region belonged to the Afghan Air Force. (Ibid.).

[118] CIA Memoradum, "The Soviet Invasion of Afghanistan: Implications for Warning," October 1980.

[119] The director of the NSA, Bobby Ray Inman telephoned Brzezinski and SecDef Brown on December 22nd to tell them the Soviets would intervene in a major way within seventy-two hours. He called again on December 24th to say the Soviets would move in fifteen hours. Robert Gates, *From the Shadows*, 133.

[120] The CIA tracked growing Soviet involvement with great precision and provided good tactical warning to the President that the invasion was about the happen. However, cognitive dissidence did occur, as the Soviet analyst could not believe the Soviets would mistakenly invade, their reasoning was based upon the analysts own impression why this would be a foolish course of action. Ibid, 134.

[121]The IC only changed their initial assumption regarding Soviet intentions when Soviet troops stormed the Afghan Premier's Palace and killed him. Douglas MacEachin, *Predicting the Soviet Invasion of Afghanistan*.

ERA THREE, 1997-2002

The post-Cold War era saw significant reductions to the IC's resources. The budget cuts of the 1990s focused heavily on both manpower and the analytical arm of the IC while policymakers increased investment in technical collection platforms.[122] IC personnel was cut by twenty-five percent. The CIA's budget declined by eighteen percent in real terms and sixteen percent of CIA positions were lost. The CIA also instituted a hiring freeze for analysts, case officers, and technologists.[123]

Indian Nuclear Test, 1998

In May 1998, India's five underground nuclear tests caught the IC off-guard. The CIA reported that the U.S. did not know about the tests until Indian Prime Minister Atal Behari Vajpayee announced the tests on television, four hours after they had occurred.[124] Since India's nuclear weapons program had not been deemed a top priority within the IC, few resources were devoted to the issue, leading to an intelligence failure to predict the tests.[125]

PLANNING AND DIRECTION: PARTIALLY EFFECTIVE

Planning and direction was partially effective because U.S. intelligence "had been monitoring and analyzing Indian civilian and military nuclear energy programs since the 1950s," meaning

[122] National Commission on Terrorist Attacks upon the United States, *9/11 Commission Report* (New York: W.W. Norton and Company, 2004), 93, 104.
[123] National Commission on Terrorist Attacks upon the United States, *Written Statement for the Record of the Director of Central Intelligence.* March 24, 2004, 24-26.
[124] S.S. Vasan, "Pokhran II: Why the US missed India's nuclear tests," (Department of Chemical Engineering, Indian Institute of Science, Bangalore, India. May 13, 1998). http://chemeng.iisc.ernet.in/alumni/nuclear2.html.
[125] Melissa Boyle Mahle. *Denial and Deception: An Insider's View of the CIA from Iran-Contra to 9/11*, (New York: Nation Books, 2004), 148.

that India had been prioritized as an area of interest.[126] However, the post-Cold War fiscal drawdown necessitated that resources be allocated according to numerous priorities and, unfortunately, the IC's refusal to believe the repeated statements by the Indian leadership warning of its intentions to test nuclear weapons led to a lesser prioritization being placed on India's nuclear program.[127]

COLLECTION: PARTIALLY EFFECTIVE

Collection was partially effective because despite a variety of collection mechanisms, there was a failure to effectively integrate all intelligence platforms. Budgetary constraints led to an overreliance on technical collections, and this hurt U.S. intelligence efforts. A smart adversary such as India utilized denial and deception tactics to trick the U.S. into thinking there was no threat.[128] Had the U.S. utilized more HUMINT sources on the ground, rather than relied on

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[126] "US spies failed to warn of Indian nuclear tests: secret documents." *Defence Talk*. April 14, 2006. http://www.defencetalk.com/us-spies-failed-to-warn-of-indian-nuclear-tests-secret-documents-6235/. George J. Tenet, "Press Statement by the Director of Central Intelligence George J. Tenet on the Release of the Jeremiah Report." *Federation of American Scientists*. June 2, 1998. http://www.fas.org/irp/cia/news/pr060298.html.

[127] When the Cold War ended, defense and intelligence budgets were cut by 30%. See: Tim Shorrock. "The corporate takeover of U.S. intelligence," *Salon*. June 1, 2007. Accessed: 8 February 2012. http://www.salon.com/2007/06/01/intel_contractors. Later, American officials did question the Indian leadership on its intentions to test. However, they were assured that no major steps would be taken in their nuclear program until a national security advisory board was set up. The Americans naively believed them. See: Keith A. Hansen, "Intelligence and Nuclear Proliferation: Lessons Learned," *Proliferation Papers*, no. 38. (Summer 2011), 22; Melissa Boyle Mahle. *Denial and Deception*, 264; Ralph Begletie, "India's nuclear tests: U.S. intelligence 'failure' seen," *CNN*. May 13, 1998, http://edition.cnn.com/WORLD/asiapcf/9805/13/india.cia.update; George Tenet, *At the Center of the Storm*, 45.

[128] Jason D. Ellis and Geoffrey D. Kiefer. *Combating Proliferation*, 95; Andrew C. McCarthy, "The Intelligence Mess; How It Happened, What to Do About It," *Commentary* (April 2004), 11-20. It was reported that satellite images were only taken every three days, and most of the sites photographed were missile sites, not nuclear-testing sites. The Indians took advantage of gaps in surveillance by calculating the orbits of the spy satellites and moving their equipment when they believed nothing was overhead. They constructed dummy villages and buildings, utilized camouflage, and conducted many of their operations at night and during a period of frequent sandstorms, allowing them to conceal tire and tread tracks from the satellites. See: John Diamond, *The CIA and the Culture of Failure: U.S. Intelligence from the End of the Cold War to the Invasion of Iraq* (Stanford, CA: Stanford University Press, 2008), 262; S.S. Vasan, "Pokhran II"; Keith A. Hansen, "Intelligence and Nuclear Proliferation", 23; Major Brian P. Cyr(USMC), "Foreign Denial and Deception: Minimizing the Impact to Operational Intelligence," (Newport: Naval War College, February 4, 2002), 11; Bob Preston and John Baker, "Through a Glass Darkly: Deception in the Era of Commercial Imaging Satellite and Global Transparency," *International Studies Association Conference*, February 22, 2001. http://isanet.ccit.arizona.edu/archive/darkly.html; "CIA searching for answers behind its India-

faulty technical intelligence, it might have been able to detect signs of an imminent test earlier.[129]

PROCESS AND EXPLOITATION: INEFFECTIVE

Process and exploitation was ineffective because the imagery collected was not processed in a timely fashion and much of the information was left on the cutting-room floor.[130] It has been reported that less than half of all satellite pictures taken ever get looked at by human eyes or by any computerized device designed to detect change.[131] With so much information being overlooked, it is unsurprising that the IC failed to detect the test.

ANALYSIS AND PRODUCTION: INEFFECTIVE

Analysis and production was ineffective because the reduced analytical force did not foresee the Indian nuclear tests. Fewer than 13 analysts across the entire IC worked on the issue, while only one analyst was regularly assigned to the task.[132] Evidence of test preparations were seen six hours before the blasts occurred, but, since nobody predicted an imminent Indian nuclear test, none of the imagery analysts assigned to track India's nuclear program were on duty, given the time zone discrepancies.[133]

Nuclear failure," *Federation of Atomic Scientists*, 16 May 1998. http://www.fas.org/irp/news/1998/05/may16_cia.html.

[129] Tim Weiner. "The World: Naiveté at the C.I.A.: Every Nation's Just Another U.S," *New York Times*, June 7, 1998. http://www.nytimes.com/1998/06/07/weekinreview/the-world-naivete-at-the-cia-every-nation-s-just-another-us.html?src=pm.; James Bamford, *A Pretext for War: 9/11, Iraq, and the Abuse of America's Intelligence Agencies* (New York: Doubleday, 2004), 129-130.

[130] "CIA searching for answers behind its India-Nuclear failure," *Federation of Atomic Scientists*, 16 May 1998. http://www.fas.org/irp/news/1998/05/may16_cia.html.; David Jeremiah, "Jeremiah News Conference," *Federation of American Scientists*, June 2, 1998. http://www.fas.org/irp/cia/product/jeremiah.html.

[131] Loch Johnson, "The CIA's Weakest Link," *Washington Monthly*, (July/August 2001). http://www.washingtonmonthly.com/features/2001/0107.johnson.html.

[132] David Jeremiah, "Jeremiah News Conference".

[133] Jeffrey R Smith, "CIA Missed Signs of India's Tests, U.S. Officials Say," *Washington Post*, May 13, 1998. http://www.portaec.net/library/peace/cia_missed_signs_of_india.html.; ""CIA searching for answers behind its

DISSEMINATION AND INTEGRATION: INEFFECTIVE

Dissemination and integration was ineffective because the IC failed to target the correct activity and there was no timely or actionable intelligence available to disseminate to U.S. policymakers. Thus, the entire case was flawed from the beginning because the lack of prioritization meant there was no opportunity for properly collecting and analyzing the intelligence to foresee the tests and prevent them from occurring.

September 11, 2001

On September 11, 2001 Al Qaeda operatives succeeded in carrying out an attack that had been in the works for several years. Four commercial airliners were hijacked and three ended up hitting the Pentagon and the two towers of the World Trade Center. The other crashed over Shanksville, Pennsylvania. The result of this attack was nearly 3,000 American deaths.

The attack of September 11th is an important case study for this framework for two reasons. First, although 9/11 is considered an intelligence failure, it should be noted that policymakers and the IC did many things right, indeed there were intelligence failures, but there were also successes. The planning and direction, collection, and process and exploitation phases can all be considered at least partial successes. However, the failures in analysis and dissemination and integration proved to be catastrophic. These characteristics of the case fit well with the intelligence cycle framework of this study.

Second, the attacks took place during a time when the IC was affected by budget cuts. The reductions of the early 1990s reduced IC personnel by twenty-five percent. The CIA's budget declined by eighteen percent in real terms and sixteen percent of CIA positions were lost.

India-Nuclear failure," *Federation of Atomic Scientists*, May 16, 1998. http://www.fas.org/irp/news/1998/05/may16_cia.html.; Ralph Begletier, "India's nuclear tests".

The CIA also instituted a hiring freeze for analysts, case officers, and technologists. These cuts affected the IC's ability to deal with the threat from Al Qaeda (AQ).[134] As such, 9/11 is a good case to reference when considering how to cut budgets and still retain the effectiveness of the IC.

PLANNING AND DIRECTION: EFFECTIVE

The IC was adequately tasked to thwart terrorist operations and its activity during this period demonstrates that the terrorist threat was prioritized. President Clinton recognized terrorism as a priority threat and tasked the IC with disrupting AQ operations through a series of Presidential Decision Directives (PDD).[135] Subsequent memorandums reiterated this tasking and an internal CIA memo proclaimed that America was at war with AQ.[136] That the IC took this threat seriously is shown by an increase in the counter-terrorism budget, the prominence of terrorism in CIA testimony before Congress prior to the attacks, and the frequent meetings of the Central Security Group.[137]

COLLECTION: PARTIALLY EFFECTIVE

[134] National Commission on Terrorist Attacks upon the United States, *Written Statement for the Record of the Director of Central Intelligence.* March 24, 2004, 24-26.
[135] U.S. Congress, "Joint Inquiry of Intelligence Activities Before and After the Terrorist Attacks of September 11, 2001," Report of the U.S. Senate Select Committee on Intelligence and U.S. House Permanent Select Committee on Intelligence, December 2002, 216-217, 221, 234.
[136] National Commission on Terrorist Attacks upon the United States, *9/11 Commission Report* (New York: W.W. Norton and Company, 2004), 100-101, 108, 176, 357.
[137] Daniela Oto, "9/11-How Could They Have Known?: How Helpful is it to Describe September 11 as an Intelligence Failure?", *Wissenschaft and Sicherheit Online*, 2. *http://www.sicherheitspolitik.de/uploads/media/wus_03_ 2009_Otto_Daniela.pdf;* National Commission on Terrorist Attacks upon the United States, *9/11 Commission Report*, 179; National Commission on Terrorist Attacks upon the United States, *Written Statement for the Record of the Director of Central Intelligence*, 10. That the threat was taken seriously see: National Commission on Terrorist Attacks upon the United States, *Fourth Public Hearing: Intelligence and the War on Terror*, October 24, 2003, 41-42; National Commission on Terrorist Attacks upon the United States, *Testimony of Richard Clarke*, March 24, 2004. http://transcripts.cnn.com/TRANSCRIPTS/0403/24/bn.00.html

The collection of intelligence prior to the attacks of 9/11 was partially effective.[138] There was an abundance of intelligence regarding Al Qaeda activity that originated from multiple intelligence platforms.[139] CIA tribal assets and SIGINT platforms had located Osama Bin Laden on numerous occasions and succeeded in gathering significant intelligence on Bin Laden's movements within Afghanistan.[140] HUMINT regarding Al Qaeda operations and HUMINT sources working on this problem increased roughly 50 percent from 1998 to 2001.[141] SIGINT was also abundant as evidenced by the massive amount of "chatter" the IC picked up in the months preceding the attacks.[142]

PROCESS AND EXPLOITATION: PARTIALLY EFFECTIVE

The process and exploitation of intelligence prior to the 9/11 attacks can also be considered partially effective. Reports regarding Al Qaeda were being generated and reflected a tactical awareness of Al Qaeda's operations.[143] However, there were problems of exploitation due to the deficiencies in information sharing between relevant agencies.[144]

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[138] Central Intelligence Agency, *OIG Report on CIA Accountability with Respect to the 9/11 Attacks (Executive Summary)*, 8-9. https://www.cia.gov/library/reports/Executive%20Summary_OIG%20Report.pdf

[139] U.S. Congress, "Joint Inquiry of Intelligence Activities Before and After the Terrorist Attacks of September 11, 2001," 203-205.

[140] National Commission on Terrorist Attacks upon the United States, *9/11 Commission Report* 110-112, 137-140.

[141] National Commission on Terrorist Attacks upon the United States, *Written Statement for the Record of the Director of Central Intelligence*, 17.

[142] National Commission on Terrorist Attacks upon the United States, *Fourth Public Hearing: Intelligence and the War on Terror*, 8. Although intelligence collection during this period was generally adequate, some experts have commented on the poor quality of the HUMINT in American counter terrorism efforts. This criticism stems from the fact that the CIA controlled very few HUMINT assets in its fight against Al Qaeda. This lack of control necessitated the CIA relying on walk-ins and the HUMINT sources of foreign intelligence agencies. As a result, the intelligence collected was of a more dubious quality and the CIA lacked the ability to direct the efforts of its HUMINT sources. See: National Commission on Terrorist Attacks upon the United States, *Fourth Public Hearing: Intelligence and the War on Terror*, 61, 69;Central Intelligence Agency, *OIG Report on CIA Accountability with Respect to the 9/11 Attacks (Executive Summary)*, 18-20.
https://www.cia.gov/library/reports/Executive%20Summary_OIG%20Report.pdf

[143] National Commission on Terrorist Attacks upon the United States, *9/11 Commission Report*, 341-342. From 1998-2001 there were hundreds of reports relating to Al Qaeda operations and characteristics. In the three months prior to the attacks there were forty articles regarding the Al Qaeda threat in the Presidential Daily Brief. The information generated from this processing of intelligence had the potential to significantly inform analysis. See:

ANALYSIS AND PRODUCTION: INEFFECTIVE

Analysis and production was ineffective and constituted the biggest failure of the IC in this case study. Although the correct agencies generated the response, the nature of the threat from Al Qaeda was not communicated, reports were generally inaccurate, and available intelligence was not integrated. There was also an extreme lack of strategic awareness.[145]

DISSEMINATION AND INTEGRATION: INEFFECTIVE

The dissemination and integration of the intelligence prior to 9/11 was ineffective because the intelligence was not accurate, timely, and did not aid in the policymaking process. Although the

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National Commission on Terrorist Attacks upon the United States, *Written Statement for the Record of the Director of Central Intelligence.* 19; National Commission on Terrorist Attacks upon the United States, *9/11 Commission Report*, 254; Richard A. Best Jr., *The Intelligence Community and 9/11: Congressional Hearings and the Status of the Investigation* (Congressional Report, 2003), 16-18.

[144] National Commission on Terrorist Attacks upon the United States, *Fourth Public Hearing: Intelligence and the War on Terror*, 5. There were also some problems with translation of raw intelligence due to a lack of trained personnel with the requisite language skills. Daniela Oto, "9/11-How Could They Have Known?"4. This lack of information sharing was both inter-agency and intra-agency. CIA information regarding Al Qaeda operatives entering the U.S. was not shared with the FBI while FBI information regarding suspected Islamic extremists' interest in flight training was not related to the CIA until after the attacks. Although these are just two examples, the "wall" separating the different intelligence agencies has been highlighted as a major source of the intelligence failure of 9/11. Ibid, 5-7*;* Central Intelligence Agency, *OIG Report on CIA Accountability with Respect to the 9/11 Attacks (Executive Summary),* 14; National Commission on Terrorist Attacks upon the United States, *9/11 Commission Report,* 272; Luis Garicano and Richard A. Posner, "Intelligence Failures: an Organizational Economics Perspective," *Center for Economic Policy Research*, August 2005. http://nomadeyes.com/intell_failures_paper.pdf.

[145] For example, the Presidential Daily Brief (PDB) of August 6, 2001 was the only finished product indicating attacks on American soil before 9/11. The document lacks specificity regarding the time, place, or character of the attack. The report simply related that Bin Laden had the intent and capability to attack targets on U.S. soil. This lack of accuracy resulted in the nature of the problem (i.e. impending terrorist attacks upon the U.S.) not being communicated to policymakers. As a result, there were no further high-level meetings regarding the possibility of terrorist attacks against the United States between the PDB of August 6th and the September 11th attacks. National Commission on Terrorist Attacks upon the United States, *9/11 Commission Report*, 260-263; National Commission on Terrorist Attacks upon the United States, *Fourth Public Hearing: Intelligence and the War on Terror*, 14; Daniela Oto, "9/11-How Could They Have Known?" 2*;* Central Intelligence Agency, *OIG Report on CIA Accountability with Respect to the 9/11 Attacks (Executive Summary),* 12, 17; U.S. Congress, "Joint inquiry of Intelligence Activities Before and After the Terrorist Attacks of September 11, 2001," Report of the U.S. Senate Select Committee on Intelligence and U.S. House Permanent Select Committee on Intelligence, December 2002, 336-342; National Commission on Terrorist Attacks upon the United States, *Staff Statement No. 11: The performance of the Intelligence Community.* http://govinfo.library.unt.edu/911/staff_ statements/ staff _statement_11.pdf, 4-5; Mark Phythian, "Intelligence Analysis: Today and Tomorrow," http://www.securitychallenges.org.au/ArticlePDFs/vol5no1Pythian.pdf , 71-72.

Presidential Daily Brief (PDB) of 6 August ended up in the highest echelons of government, the intelligence was of so little value that this dissemination cannot be considered effective.

Operation Enduring Freedom, 2001

Operation Enduring Freedom (OEF) is a significant case because it was an initial success despite having occurred after a period of budget cuts for the intelligence and defense communities. Contributing factors to its success occurred at the operational level, making coordination between and within agencies easier. Finally, the tactical successes of OEF are due to good coordination and integration of HUMINT with technical collections.

PLANNING AND DIRECTION: EFFECTIVE

Planning and direction for OEF was effective because the policymakers did two things. First, they prioritized the goals of running Bin Laden out of Afghanistan and preventing further attacks upon the U.S. Second, they identified and tasked the proper agencies to carry out missions towards this end. The CIA provided analysis and HUMINT, the DIA threat assessment, the NSA cyber security, the National Imagery and Mapping Agency (NIMA) image intelligence (IMINT). Basically, intelligence agencies worked with the military and each other to establish priorities and deadlines.[146]

COLLECTION: EFFECTIVE

[146] Director of Central Intelligence George J. Tenet, "Annual Report of the United States Intelligence Community: Support to the War on Terrorism and Homeland Security, 2002". Available from http://www.cia.gov/cia/reports/Ann_Rpt_2002/swtandhs.html.

The collection of intelligence for OEF was effective because the IC integrated multiple intelligence platforms. SIGINT was widely used, unmanned aerial vehicles (UAV) were crucial to collecting data about local conditions, the DIA's Chemical and Biological Intelligence Support Team (CBIST) targeted biological weapons stockpiles, and intelligence, surveillance, and reconnaissance (ISR) were integrated with HUMINT by the CIA and the US military.[147]

PROCESS AND EXPLOITATION: EFFECTIVE

The process and exploitation of intelligence was effective due to the integration of intelligence across the IC and the accuracy of the initial reports. Information was disseminated to the correct agency, specifically the U.S. military.[148] In terms of accuracy, the NSA's integration was the key to identifying and locating threats. NIMA enhanced accuracy through imagery for HUMINT. Finally, the CIA provided HUMINT and analysts for direct support of military operations. The IC also provided analysts and regional specialists to educate US military about culture, geography, and the local politics of the region. This significantly contributed to readiness and thus effectiveness.[149]

ANALYSIS AND PRODUCTION: EFFECTIVE

[147] George J. Tenet, "Annual Report of the United States Intelligence Community"; Joe Mazzafro, "Operation Enduring Freedom (OEF), Operation Iraqi Freedom (OIF): Intelligence Lessons Learned, How OSINT Can Help," *OSS' 04 OSINT and Global Issues*, April 13, 2004; Daniel J. Moore, "CIA Support to Operation Enduring Freedom," *Military Intelligence Professional Bulletin*, (July-September 2002); Barry Harris, "Stabilizing Iraq: Intelligence Lessons for Afghanistan," (Washington Institute for Near East Policy, May 28, 2009). In terms of specific successes, the CIA provided clear threat warnings regarding guerrilla and mujahidin operations in Chechnya, the NSA successfully deterred cyber threats, DHS successfully supported targeting operations on the ground with collectors, and the DIA correctly identified threats through the utilization of SIGINT and HUMINT. See: Linda B Williams, "Intelligence Support To Special Operations In The Global War On Terrorism," USAWC Strategy Research Project, May 3, 2004.

[148] Ron Stallings and Michael Foley, "CI and HUMINT operations in support of operation enduring freedom**,"** *Military Intelligence Professional Bulletin*, (October-December 2003).

[149] Daniel J. Moore, "CIA Support to Operation Enduring Freedom."

Timely reports were issued by the IC to aid US military operations in OEF. Further, the production time was actually streamlined: the volume of reports increased during this time, but there was no corresponding decrease in accuracy or usefulness. [150] The CIA's regional and cultural specialists were crucial factors for the success of HUMINT, while the integration of HUMINT with technology, particularly UAVs, ISR, and SIGINT, significantly contributed to the success of OEF's analysis and production phase.[151]

DISSEMINATION AND INTEGRATION: EFFECTIVE

Dissemination and integration was effective largely because of inter-agency cooperation within the IC.[152] The effectiveness of this stage was also the result of effectiveness across the other steps of the intelligence cycle.

An Evolution through Comparative Analysis

After analyzing case studies through this five step framework, this report comparatively assesses the cases through a second framework that breaks down the intelligence cycle into three categories - tasks, capabilities, and reports. This alternative approach has three advantages for drawing lessons learned. First, it adjusts for an analysis that might become distracted by the minutiae of individual case studies, allowing for a more robust evaluation of the intelligence process. Second, it better accounts for opportunities and challenges that would permeate several steps in the intelligence cycle. Finally, it further clarifies the manner that funds are allocated within the IC.

[150] Ron Stallings and Michael Foley, "CI and HUMINT operations in support of operation enduring freedom**."**
[151] Linda B Williams, "Intelligence Support To Special Operations In The Global War On Terrorism,"
[152] Anthony R Williams, "CIA Support to Enduring Freedom," *Military Intelligence Professional Bulletin*, (October-December 2002).

TASKS

Tasks come at the start of the intelligence cycle and deal with the prioritization of IC responsibilities. This stage offers the greatest potential for budgetary impact, as policymakers and the IC delineate what missions the latter is expected to accomplish effectively. Tasking effectiveness is measured by identifying the following metrics: prioritization of threats, tasking of proper agencies, communication of the nature of problems or threats, communication of information needs, establishment of deadlines, targeting the correct activities, utilization of available platforms, the amount of change in access to these platforms over time, and the leveraging of all available intelligence assets.

CAPABILITIES

Capabilities assess the capacity of the IC to complete the missions they are tasked to perform. Budget allocation has a significant affect at this stage because it determines the availability of technical capacity and manpower across several stages of the intelligence process. Capabilities effectiveness is measured through recognition of the following metrics: assets are prioritized effectively, correct activities are targeted, initial reports are distributed in a timely fashion, the IC provides tactical and strategic warning, utilization of all available platforms, integration of all types of intelligence, the amount of change in access to these platforms over time, the capabilities are appropriate to the tasked mission, the levels of allocated manpower, communication of the identified problems, evaluation of sources, identification of adversaries' denial and deception attempts, identification of important information, and the accuracy, timeliness, length, and actionability of reports.

REPORTS

Reports reflect the IC's ability to meet the needs of the consumers through the output of finished products. Budgets have a minimal direct effect at this stage, with money spent on reports representing thousands of dollars in a budget of billions. The effectiveness of reports involves informing the correct policymakers, distributing the information to the correct agencies and organizations, reporting changes to sources of information, delivering the information in a timely manner, responding to tasked directives, providing reports that are useful in the decision-making process, utilizing the best format to convey the information, and accurately evaluating the overall situation.

EFFECTIVENESS BY TYPE: TASKS, CAPABILITIES, REPORT

The examination of these cases through the tasks-capabilities-reports framework indicates that there are four types of outcomes. The IC can be (1) highly effective despite budget cuts, (2) partially effective despite budget cuts, (3) ineffective because of budget cuts, and (4) ineffective because of other factors. The first type requires effectiveness at tasks, capabilities, and reports as illustrated by the Italy (1948) and OEF (2001) case studies. The second type consists of effective performance during the tasks and capabilities steps of the intelligence process. The Soviet invasion of Afghanistan (1979), where the IC prioritized the monitoring of the Soviet military and surged capabilities accordingly, epitomizes this type. The third type, where budget cuts drive ineffectiveness, includes cases where capabilities gaps created by IC resource reductions undermined effective tasking. For instance, the successful identification of strategic challenges posed by communism and terrorism failed to prevent the intelligence failures of Korea (1950)

and September 11 (2001). The fourth type characterizes IC ineffectiveness for reasons other than budget cuts. In the Iran (1978-79) and India (1998) cases, policymakers held faulty assumptions that precluded effective tasking. These assumptions led to a lack of prioritization required to achieve effectiveness in the intelligence process.

Type	Cases
1	• Italian Elections • Operation Enduring Freedom
2	• Soviet Invasion of Afghanistan
3	• Korean Invasion • September 11
4	• Iranian Revolution • Indian Nuclear Test

Figure 3. Case Studies by Type.

Lessons Learned

This report's lessons learned stem from the tasks and capabilities stages of the intelligence cycle. There were two primary lessons drawn from each of the two stages, beginning with tasks. First, the IC struggles to recover from failed prioritization. When policymakers do not prioritize correctly, the IC is insufficiently equipped to provide timely, accurate, and actionable intelligence to the policymaker. As exhibited by the Iranian case study, the Carter administration and IC officials failed to identify Iran as a strategic priority. This decision was based on the Pahlavi Premise that assumed the Shah was too strong to fall. As a result, the Carter Administration moved from a strategic to a tactical focus in Iran. The IC only examined the threat posed to the TACKSMAN listening posts because these posts were integral to SALT II verification.

In the Afghanistan case, increased prioritization allowed for effective usage of IC capabilities. Increased prioritization following the Herat incident in mid-March of 1979 allowed for a surge in collection platforms and processing manpower to this target. Prioritization mitigated the analytical-collection imbalance and increased coverage on the Afghan issue. As a result, the NSA was able to give 72 and 15 hour invasion warnings based upon intercepts of Soviet communications and troop movements. [153] While initial assumptions concerning Soviet intentions post-invasion were wrong, correct prioritization led to tactical warning success. Afghanistan is a case of partial success despite budget cuts due to the IC's ability to surge manpower to avoid the collection-analysts imbalance.

Second, the failure to cut intelligence missions during increases in data collection or decreases in manpower overstretches the IC. Any attempt to maintain the same mission sets with

[153] Robert Gates, *From the Shadows,* 133.

reduced manpower or increased collection leads to decreases in overall effectiveness. Regarding 9/11, the prioritization of terrorist activities was increased; however, the IC did not institute cuts to manpower from other intelligence mission sets. The IC also lacked the manpower capacity necessary to process the increased data collection, thereby creating a collection-analysis imbalance. For India, policymakers did not increase the prioritization of India despite the Bjaratiya Janata Party's (BJP) campaign promise to conduct a nuclear test. This lack of tasking led to sparse satellite coverage and a decrease in manpower assigned to assess and process collection. The decision was based upon the IC's ability to identify Indian nuclear test preparations in 1995 based solely on IMINT collection. India subsequently increased their denial and deception techniques, and this limited the ability of IMINT to correctly identify preparations for testing.

This study also finds two main lessons within the capabilities stage. First, overreliance on one collection platform or the failure to properly integrate all collections platforms creates gaps in data, and leads to ineffectiveness. By relying on one platform, analysts are unable to gain a full spectrum picture of the situations they must assess to produce clear intelligence. In the Korea case, loss of access to Soviet communications negatively impacted the ability of the IC to predict the invasion of South Korea. The lack of access to collection platforms decreased the IC's ability to gather North Korean military and political communications. Budgetary cuts to cryptology and the failure to fund research and development efforts impacted effectiveness by decreasing access to collection platforms. Lack of access to SIGINT required the IC to become overly reliant on HUMINT, and the result was a decrease in intelligence effectiveness.

Whereas Korea was ineffective due to budget cuts at the capabilities stage, Afghanistan was effective despite budget cuts. Continued research and development of the KH-11 program

increased data collection. This led to an increase in access to collection platforms. The IC also integrated signals, imagery, and human intelligence to verify and corroborate the data collected. Finally, the Indian case study shows the dangers of overreliance on IMINT. Denial and deception tactics proved sufficient to hide Indian intentions. This tactic worked because intelligence analysts were not provided with sufficient data.

Second, the inability to maintain investment in technical collections enhances the adversaries' competitive advantages. Failing to maintain research and development advances can lead to inaccuracies in overall data collection or loss of access to a previous source of collection. This loss of access narrows the avenues of information collection and allows adversaries to capitalize on this more myopic collection scope. Lack of investment in cryptology following World War II led to loss of access to Soviet communications, which impacted intelligence effectiveness in the Korean case study. Lack of investment in telecommunications during the 1990s led to the inability of the NSA to keep pace with the improvements in telecommunications. However, when the IC expropriated civilian technological advances for military purposes, CCD, effectiveness for collection was actually increased. This effectiveness increase occurred during an era of fiscal austerity through the advent of the KH-11 satellite program. The lessons garnered from the tasks and capabilities stages are examined further in our recommendations.

Recommendations

From these lessons learned, this report's recommendations draw from the tasks and capabilities stages. The majority of the intelligence budget is spent on tasks and capabilities. At the reporting stage, a policymaker can only cut thousands of dollars in an eighty billion dollar budget. The first two stages determine intelligence effectiveness and savings on a broad, far reaching scale.

Policymakers should begin the process of examining what to cut by prioritizing what is important to the United States, or what the threats and interests of the United States will be in the future. Prioritization of missions requires policymakers to make hard choices at the tasking stage of the intelligence process. As new threats emerge in an era of fiscal austerity, the IC must re-direct funding; this can only occur by making cuts to less important mission sets. Prioritization already occurs in the IC in the following ways:

- Establishment of mission critical languages
- Prioritization of access to collection platforms
- Forward deployment of intelligence and covert personnel
- Allocation of personnel to intelligence mission sets

This report encourages policymakers and the IC to make decisions on cutting mission sets based upon the prioritization in the NIPF. A decrease in manpower without corresponding reductions to the tasks assigned to the IC creates ineffectiveness, as evidenced by the Korean and 9/11 case studies. Policymakers and the IC must differentiate between needs and wants through the NIPF process and assign a priority to specific intelligence missions.

Once mission sets are cut in the tasking area, these cuts should drive further cuts to intelligence capabilities. Task-driven reduction allows the IC to re-allocate scarce resources and personnel. Furthermore, it allows the IC to mitigate personnel reductions in higher priority intelligence missions. If policymakers make cuts in the capabilities stage, they will aggravate the cost-cutting process in the capabilities stage. If policymakers and the IC fail to prioritize mission

sets, intelligence effectiveness will suffer across the board. Budget cuts are a certainty. The IC will not be able to sustain its current posture. Resistance to budgetary reductions is a natural occurrence. However, by outlining a clear, specific prioritization of mission sets, policymakers can avoid creating a negative snowball effect in the implementation of cuts in later stages of the intelligence process.

Once mission sets are prioritized, policymakers can begin to work on capabilities-based cuts. The capabilities associated with the mission sets policymakers choose to cut should be examined in full; technical capabilities as well as personnel should be up for reduction. The case studies show that without prioritization, agencies historically have instituted budgetary cuts by slashing manpower expenditures. Policymakers should be aware of the danger of exacerbating the collection-analysis balance. Personnel reductions must be accompanied by corresponding cuts to intelligence missions. If this prioritization does not occur, the IC will be overwhelmed with data, and will lack the ability to process the data in a timely and actionable manner.

Policymakers should be wary of cutting only one type of collection capability. The Korea and India case studies reveal how relying on collection from only one type of intelligence results in overall ineffectiveness. OEF and Afghanistan reveals the benefits of integrating all forms of intelligence. When policymakers cut personnel, they should be wary of the assumption that analysts are completely fungible. Technical and regional expertise is highly valuable, and assuming an expert in one field can move to another field and perform effectively is unrealistic. Prioritization at the tasking stage is the only way in which the IC can effectively build regional expertise. In seeking to maintain the ability to respond to *any* possible occurrence, the IC negatively impacts analytical effectiveness. By favoring agility over prioritization, the IC workforce has become bloated with generalists at the expense of regional expertise.

Policymakers can ameliorate the cost cutting process by elongating the acquisitions process. This is particularly pertinent with purchases of expensive technological platforms or instruments. By purchasing the same number of items over a longer period of time, those calling for cuts can avoid political battles while allowing the IC to remain ahead of competitors in research and development.

What to Cut? How to Cut?

The process of determining what to cut and how to cut should be led with a discussion regarding prioritization of mission sets. Policymakers and the IC must differentiate between needs and wants through the NIPF process. This allows agencies cut their respective budgets based upon clear tasking from policymakers. This report suggests maintaining effectiveness while undergoing budgetary reductions through focusing on the interaction between agencies and the ODNI/OMB. This interaction controls much of the intelligence budget and is most affected by budgetary reductions.

Each respective intelligence agency should be forced to prioritize their needs by primary, secondary, and tertiary mission sets. The agencies will submit their budgetary request based on the prioritization outlined in the NIPF. The ODNI should then take each agency request, locate redundancies between agencies, and determine the overall budget necessary for each agency. The agencies and ODNI should then focus on cutting in the following four areas of capabilities: personnel, acquisitions, operations and maintenance, and research and development. The process of determining where to cut should begin with each intelligence agency prioritizing what it deems as its most important mission sets. The mission sets should reflect core competency, historic function or purpose, and the current and future focus of the agency. By listing primary, secondary, and tertiary mission sets, the agency will be forced to decide what is vitally important to it, and where the agency can stand to receive less funding.

Once prioritization has occurred through the NIPF process, the ODNI can identify redundancies between the agencies and determine which can be acceptably cut. First, the ODNI could examine all missions listed, and cut those low on more than one agencies' list, leaving just one or a few agencies to cover this particular mission. This method would leave no lower priority

untouchable, but it would ensure that no priority or mission set is cut entirely from the IC. This approach still allows for competitive analysis to take place while targeting over-redundant allocation of scarce resources. Second, the ODNI could cut any lower priority, but allow each agency to keep its top priorities. This would protect the agencies from losing what they perceive as their strongest core competency, even if another agency lists the same mission as paramount. Once these primary needs are set aside, the ODNI can go about finding redundancies across secondary and tertiary priorities.

This first phase in the budgetary process, determining mission sets amongst agencies, will aid the ODNI and OMB in determining the total budget for each respective agency. Once this is done, the ODNI can work with each respective agency to determine where to cut capabilities. This process could be eased if both parties can determine what is necessary to fulfill mission sets, but this process should primarily be left to the agency; the agencies undoubtedly know how to complete their assigned mission better than the ODNI, but the ODNI can assist with coordination of capabilities between agencies.

In determining how to reallocate between capabilities, agencies should remember to avoid the pitfalls noted in the Recommendations section: overreliance on a single type of intelligence collection, the collection/analyst imbalance, and the inability to maintain investment in research and development which causes the IC to lag behind technological developments in the civilian sector or competing national intelligence communities.

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What to Cut and How to Cut? Historical Lessons from Past Reductions in the Intelligence Community

CAPSTONE PROJECT FOR THE RAND CORPORATION'S INTELLIGENCE POLICY CENTER (IPC)

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Briefing Outline

2

- Cuts Are Coming
- Effectiveness and Budget Cuts
- Lessons Learned and How to Maintain Effectiveness

Research Questions

3

Under what conditions can the Intelligence Community cut its resources while still maintaining its effectiveness?

What do past eras of reduction suggest about what to cut and how best to cut?

These questions must be answered prior to any reform or restructuring of the IC.

Cuts Are Coming

4

- Impending Fiscal Austerity and Shifting Priorities
- Effects of Budget Cuts on Organizations
- The Intelligence Community Budgetary Process

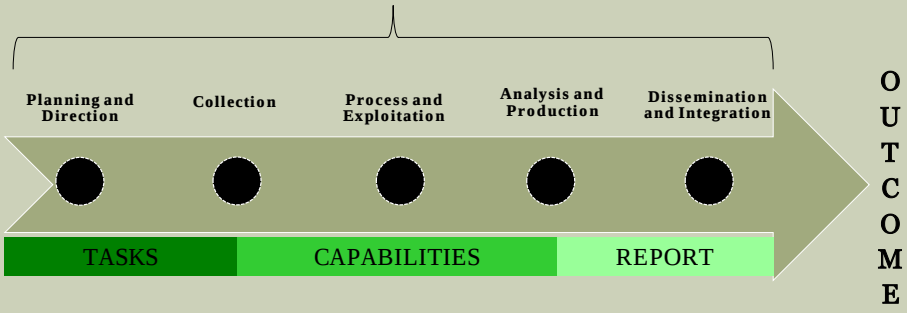
Method

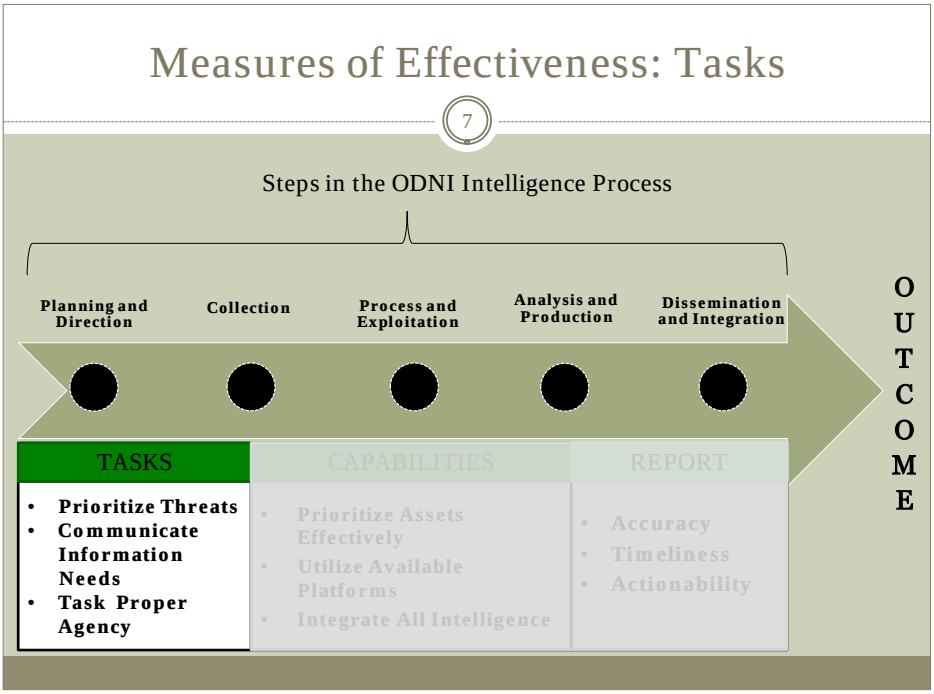
5

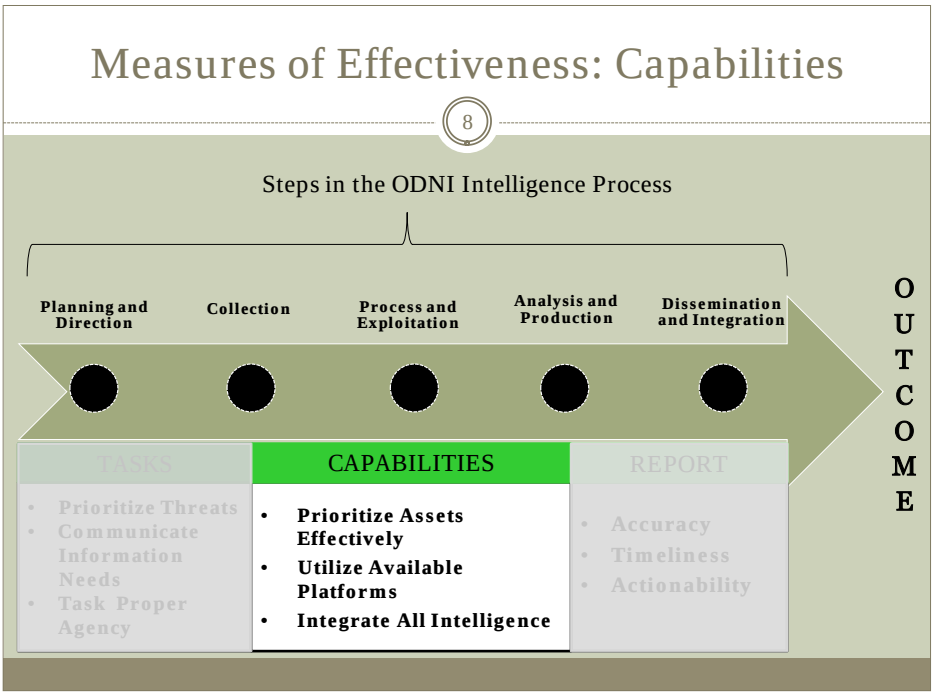
- Limitations on data
  - Budgetary data and processes are classified
- Approach
  - Review organizational literature and identify metrics of intelligence effectiveness
  - Effectiveness measured as a causal process
  - Assess intelligence effectiveness during previous eras of budgetary reduction
  - Use open source and declassified materials to analyze historical cases

Framework

6




Measures of Effectiveness: Tasks
7
Steps in the ODNI Intelligence Process
Planning and Direction
Collection
Process and Exploitation
Analysis and Production
Dissemination and Integration
OUTCOME
TASKS
Prioritize Threats
Communicate Information Needs
Task Proper Agency
CAPABILITIES
Prioritize Assets Effectively
Utilize Available Platforms
Integrate All Intelligence
REPORT
Accuracy
Timeliness
Actionability


Measures of Effectiveness: Capabilities
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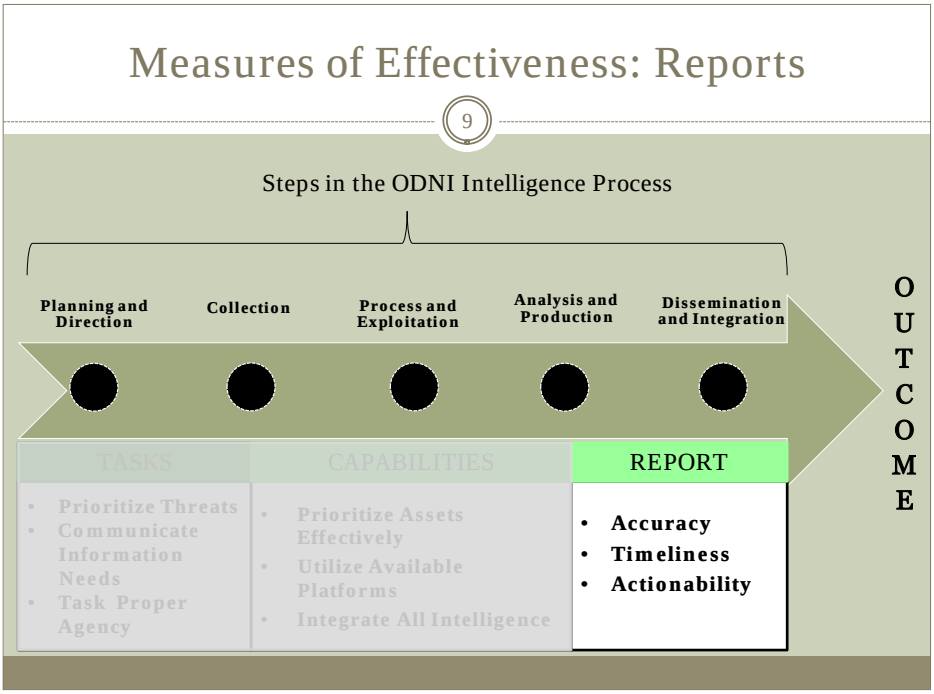
Measures of Effectiveness: Reports
9
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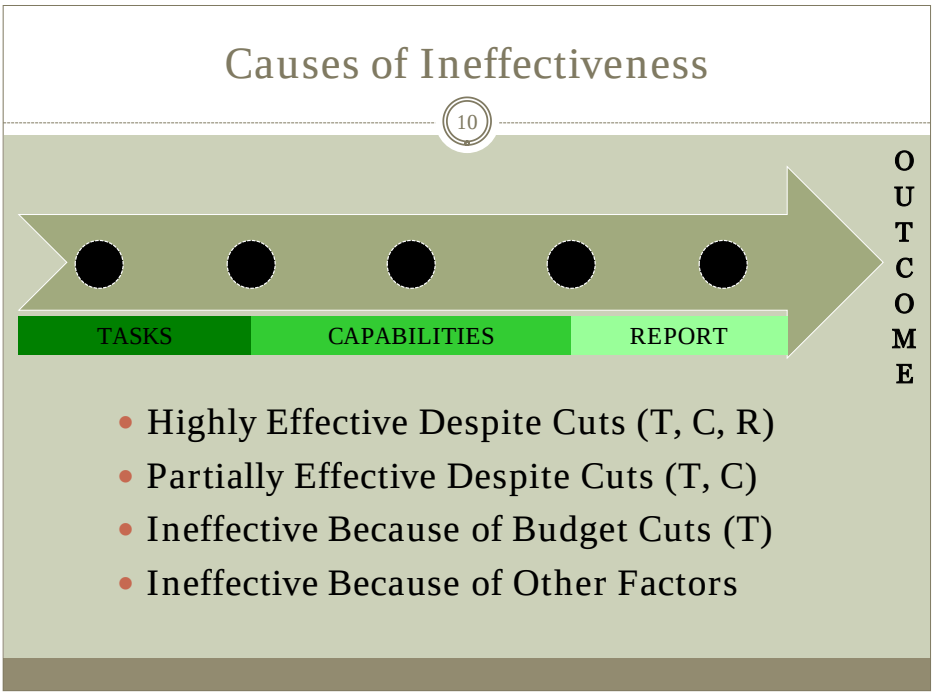

Causes of Ineffectiveness
10
OUTCOME
TASKS
CAPABILITIES
REPORT
Highly Effective Despite Cuts (T, C, R)
Partially Effective Despite Cuts (T, C)
Ineffective Because of Budget Cuts (T)
Ineffective Because of Other Factors

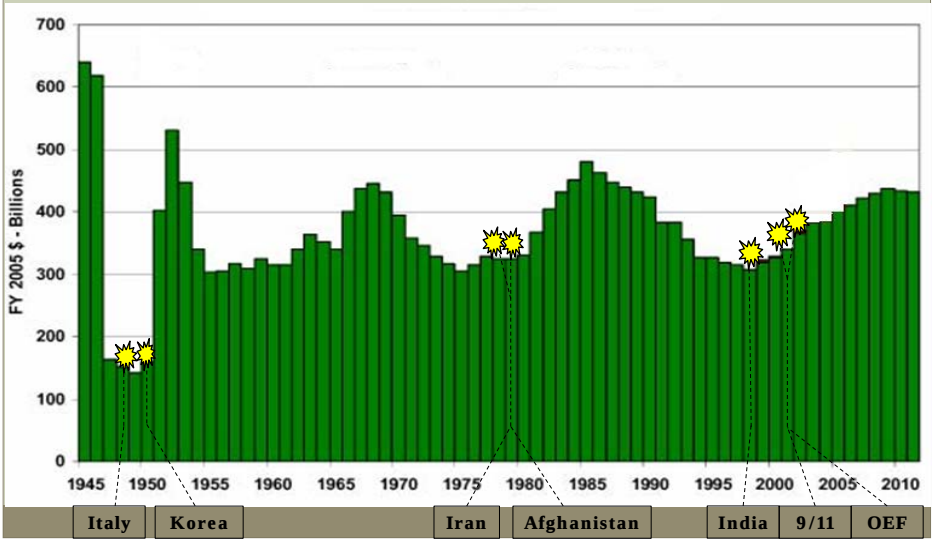
Case Selection

11

Era	Cases
1945-1950	• Italian Elections • Korean Invasion
1974-1979	• Soviet Invasion of Afghanistan • Iranian Revolution
1997-2002	• Indian Nuclear Test • September 11 • Operation Enduring Freedom

Case Placement in Defense Budget Trends

12



Highly Effective Despite Cuts (T, C, R)

13

Cases	Tasks	Capabilities	Report
Italy	• Took a Strategic View of the Problem • Clear, Top-Down Guidance from NSC	• Surged Resources • Leveraged Institutional Memory from WW2 • Cooperation to Cover Gaps	• Balanced Reporting Facilitated Strategic and Tactical Level Decision-making • Dissemination Successful Laterally and Vertically
OEF	• Clear Incremental Goals were Set • Relied on Unity of Effort	• Utilized All Intelligence Capabilities • Fusion Centers Enhanced Synergy	• Integrated Collection Increased Volume, Quality, and Speed of Reporting • Fusion Centers Sped Up Dissemination and Integration

Partially Effective Despite Cuts (T, C)

14

Cases	Tasks	Capabilities	Report
Afghanistan	• Recognized Implication of Soviet action • Increased Prioritization	• R&D Breakthrough • Integration Led to Collection Windfall • Surged personnel for processing	• Failed to Challenge Initial Assumption • Data Contradicting Assumption Explained Away

Ineffective Because of Budget Cuts (T)

15

Cases	Tasks	Capabilities	Report
Korea	• Identified Strategic Regional Problem Areas	• Collection Focus Elsewhere • Overreliance on HUMINT • Loss of Access to Soviet Communications	• Failed to provide tactical and strategic warning • Failed to challenge initial findings
9/11	• Presidential Guidance (PDDs 39, 62, 63) • Internal CIA Tasking • Operational Plans	• Technical INT–HUMINT Imbalance • Collection-Analysis Imbalance	• Too Much Tactical Reporting • Lack of Strategic Analysis

Ineffective Because of Other Factors

16

Cases	Tasks	Capabilities	Report
Iran	• Pahlavi Premise • Low Prioritization	• No Direction → No Collection • Budget Cuts Magnified Shortfalls • Many Events Reported, Few Analyzed	• Chaff Overwhelms the Wheat • Policymaker Dissatisfaction Sidelines Intelligence Community
India	• Low Prioritization • Falsely Assumed India would not Conduct Test	• Overreliance on Technical Systems to Monitor India Collection-Analysis Imbalance	• Analysts did not Foresee Nuclear Tests → Resulted in Failure to Disseminate Timely or Actionable Intelligence

Lessons Learned

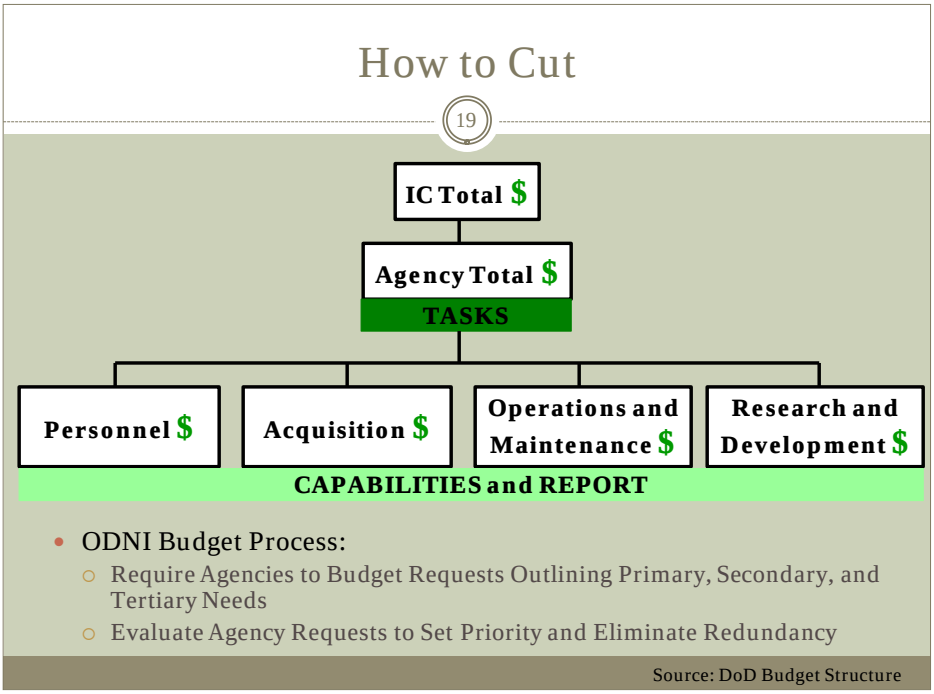
17

- Tasks
  - The intelligence community cannot recover from failure to prioritize correctly.
  - Failure to cut mission sets in accordance with capabilities cuts overstretches the community.
- Capabilities
  - Overreliance on one collections platform creates gaps in data.
  - Inability to maintain investments in technical collections enhances adversaries' competitive advantage.

Recommendations

18

- Tasks
  - Make the hard choices early: cut mission sets
  - Tasking cuts should direct capability-based cuts
- Capabilities
  - Resist the urge to start reductions at the personnel node
    - Results in collection-analysis imbalance
    - Agencies assume analytical fungibility
  - Maintain R&D
    - Lengthen the acquisition process


How to Cut
19
IC Total $
Agency Total $
TASKS
Personnel $
Acquisition $
Operations and Maintenance $
Research and Development $
CAPABILITIES and REPORT
ODNI Budget Process:
Require Agencies to Budget Requests Outlining Primary, Secondary, and Tertiary Needs
Evaluate Agency Requests to Set Priority and Eliminate Redundancy
Source: DoD Budget Structure