



## A Guide to the Reforming of American Intelligence

### Past and Future<sup>1</sup>

by William M. Nolte, PhD

In 1992, with the aftershocks of the Soviet Union's collapse still being felt, a small group of academicians and intelligence professionals, led by Roy Godson of Georgetown University and Ernest May of Harvard, formed the Working Group on Intelligence Reform. Three years later the group produced its findings in *U.S. Intelligence at the Crossroads: Agendas for Reform*. The end of the Cold War notwithstanding, the contributors made clear their judgment that “intelligence still matters.” If that sounds a bit self-evident, it was not fully so at the time. The primary focus of U.S. intelligence after the Second World War – the only period in American history in which Americans had invested heavily intelligence during peacetime – had disappeared, leaving an enormous gap in the intelligence community's reason for being.

Noting the lessons of the 20th century, the then recent Persian Gulf War, and other issues, the Working Group judged “states cannot assume that intelligence will or will not play a significant role in the military and foreign affairs of the future.” The question they saw at the time was not whether the U.S. retained an intelligence capability “but whether the large intelligence bureaucracies spawned by World War II and the Cold War continued to suit U.S. national security needs.”<sup>2</sup>

In the less than two decades since the Working Group completed its report, the United States has

1. Readers interested in more detailed accounts of the various efforts to reorganize or reform the intelligence establishment since 1947 should see: Michael J. Warner and J. Kenneth McDonald, *U.S. Intelligence Community Reform Studies Since 1947*, Washington, Center for the Study of Intelligence, 2005, and Richard A. Best, Jr., *Proposals for Intelligence Reorganization, 1949-2004*, Washington: Congressional Research Service, 2004.  
2. Godson, May, Schmitt, *U.S. Intelligence at the Crossroads: Agendas for Reform*, Washington, Brassey's, 1995

moved through a post-cold war era in intelligence, marked by deep budget cuts, some loss of focus, and an ever shifting information environment. The events of September 2001 and their aftermath were marked by rapid increases in resources, a focus on counterterrorism, and the addition of domestic or homeland security concerns to the intelligence agenda.

We are now entering a post-post-9/11 era in which budgets are likely to decline, terrorism has not disappeared, but in which new issues, such as cybersecurity and the turmoil in the Arab world, not only compete with terrorism for priority but link with it in uncertain and potentially dangerous ways. Add to this a public preoccupation with the nation's financial difficulties, an uncompromising political environment between political parties, and a general sense that the intelligence reforms of the post-9/11 have not taken root, and the questions from 1995 remain: How should the United States align its intelligence establishments with the operational, informational, political environments we face? Do the existing structures support that alignment or inhibit it? It is worth noting that a constant factor in all three of these environments has been the ongoing information revolution. A review of past efforts at alignment, a term I prefer over reform, may be useful.

The great post-World War II alignment in American intelligence was the National Security Act of 1947, creating the CIA. This reflected an historic policy realignment, as the Truman administration, shifted from a demobilization program to a recognition of the Soviet threat. The creation of the CIA marked two milestones: first, that some level of intelligence coordination beyond the departmental level was essential to deal with the anticipated security environment, and second, that the new agency would not just collect and coordinate intelligence. It would have an operational role that created tension in America's sense of itself as a nation that operated openly with the world, with a bare minimum of secret information, let alone secret or covert operations.

The ink was barely dry on the National Security Act of 1947 before additional “reforms” were suggested. This is not as unusual as it sounds. Growing out of the lessons from World War II, the creation of the CIA started the job of building a modern intelligence establishment. It could hardly have completed the job. Creation of the CIA did begin the process of creating some measure of national intelligence, coordinated across departmental lines, one of the major recommendations of the various commissions that had studied the Pearl Harbor attack and the conduct

of the war.

At the same time, the National Security Act coincided with a larger effort to tidy up the messy bureaucratic creations of the New Deal. This effort, driven by the Republican-led 80th Congress, recommended the consolidation of many agencies that had been established independently with limited coordination among them.<sup>3</sup> As part of its work, the Hoover Commission conducted a separate classified annex on national security, which in 1948 noted the need for improved structural and administrative controls in the new CIA. At almost the same time, the Truman Administration created the Armed Forces Security Agency (AFSA), a committee-led stopgap necessitated by the desire for greater coordination and the creation of an independent Air Force. The United States had worked through the Second World War with a naval cryptologic service that, put simply, had naval personnel performing the Navy's cryptologic mission, largely against the naval services of other countries. The Army's Army Security Agency handled military cryptology. The creation of the Air Force required something of a "property settlement" with the Army, including a division of cryptologic personnel and facilities. As historian Christopher Andrew has noted, the United States, which had suffered cryptologic failure with two agencies in 1941, entered the 1950s with four such agencies, three service-based and the emergent AFSA.

The cryptologic element is reflective of the evolution of U.S. intelligence in another sense. Photographs of that period note the periodic meetings of the United States Intelligence Board, a largely powerless body, which brought together the various intelligence agencies. Other photographs record meetings of the United States Communications Intelligence Board, with some overlap of membership. Communications Intelligence was still seen as an extension of signals (as in Signal Corps) components, not true intelligence. Handling an ever larger, more powerful, and more expensive set of technical intelligence organizations

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3. One result of this was the creation of a department of Health Education and Welfare, which itself lasted only into the Johnson administration.

would become a major issue in the evolution toward an intelligence community.

The next major organizational reform<sup>4</sup> came with the 1952 creation of the National Security Agency, replacing the ineffective AFSA. Over the next several years, two significant developments followed: first, a greater integration of the Army, Navy, and Air Force cryptologic components into a national system. Second, over time, communications intelligence gradually shifted from an extension of the signals community to a closer relationship to the emerging intelligence establishment.

By the late 1950s imagery begun to increase in prominence. Photo reconnaissance had developed at a tactical level in the First World War.<sup>5</sup> It advanced dramatically in technology and importance in the Second World War. In the 1950s, it took two quantum leaps in response to the critical need to penetrate the vast Soviet landmass. The first

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In this as in other areas, friction between the CIA and the Air Force became an issue, one President Eisenhower attempted to resolve with the creation in 1960 of the National Reconnaissance Office (NRO). Within a very short time, Secretary of Defense Robert McNamara created the Defense Intelligence Agency, while leaving the services with individual, organic intelligence components.

Each of these actions responded to either technological or bureaucratic realities that could not have been envisioned with the 1947 creation of CIA. It was, after all, intended to be the centralizing component of US intelligence. But how was that to happen with the

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4. I am not addressing here internal structural, operational, and administrative improvements undertaken within agencies during this period.

5. See Finnegan, Terrence, *Shooting the Front: Allied Aerial Reconnaissance and Photographic Interpretation on the Western Front – World War I*, 2006, National Defense Intelligence College Press. .

creation of new agencies, each addressing important and complex processes (or “ints”), and reporting to cabinet departments beyond the control of the CIA? These were easy questions to ask. They were harder to answer.

By the 1970s, the issues that had not been resolved or even anticipated in 1947 begged for answers. Several studies of the time delineated the fundamental dilemma, namely that the Director of Central Intelligence needed to have some responsibility for the entire community, but that he could not, within the structure of the executive branch, have control of all its components, at least not in the sense of direct, hierarchical authority.<sup>6</sup>

At precisely the same time, to complicate the issue, the nation was dealing with its most extensive public review of intelligence in the post-1945 era. And much of what it was learning was neither pleasant nor flattering. The public suspicions raised by the war in Southeast Asia and the Watergate affair had come down heavily on the intelligence community, leading at least one member of the Senate to describe the CIA as a “rogue elephant.” Accurate or not, the public and Congress wanted to ensure that the American secret services were both under control and focused on foreign intelligence. The result was the creation of permanent oversight bodies in the House and the Senate and legislation, such as the Foreign Intelligence Surveillance Act. In the decade that followed, issues, such as the Iran-Contra scandal, arose from time to time, but the new arrangements largely succeeded in bringing about a sense that the intelligence services were under appropriate direction.

Then, in 1990, the Soviet Union, the *raison d’être* for virtually everything the United States had done in national security since 1947, disappeared. One question for intelligence arising from this event was one of mission. And understanding of that took time. A second consideration was that with the Cold War over, politicians promised a “peace dividend.” With most of the intelligence budget hidden within the Defense budget, intelligence would escape the budget cuts. In fact, a powerful member of the House told a journalist at this time: “There is a second peace dividend out there. It’s called the intelligence budget.”

For intelligence and the military, the 1991 Gulf War provided an opportunity to employ against a Soviet-equipped Iraq the instruments that had been

built to operate against the Soviet Union. The success of that effort did not obscure the reality that in weaponry and the fields of information and communications systems, the world was in the midst of an enormous transformation. American intelligence was challenged by the implications of the information revolution.

Two congressionally mandated “reform” efforts followed: the Aspin-Brown Commission (1995-96) and the House of Representatives’ “IC21” review (1997). Aspin-Brown was authorized by the Congress. The “Intelligence Community in the 21st century” was pushed by a Republican majority in the House intelligence committee clearly unhappy with the bipartisan nature of Aspin-Brown. That aside, the studies agreed, at least in general terms, on the need to prepare American intelligence for a very different environment from that of the Cold War. The studies encouraged greater coordination of the intelligence community under the Director of Central Intelligence, especially in planning, budgeting, and staffing.<sup>7</sup>

Aside from the creation of a new position of Deputy DCI for community management, the reform efforts of the 1990s did not produce significant results. In the absence of a clear national strategy that went beyond the retrospective vision of a “post-Cold War” world, the decade produced little in the way of intelligence transformation. As others have noted, the Air Force during this same period shut down the nearly sacred Strategic Air Command, the Army commissioned studies of both a 21st century force and even an “army after next.” But the Intelligence Community, lacking the long term study and research capabilities of the military services, struggled to deal with a rapidly changing operational environment and an ongoing information revolution with organizations that were reduced in resources but continuations of their Cold War selves. Even such declarations as DCI George Tenet’s “We are at war with Al Qaeda” memorandum of 1998 seem to have had little impact. Later suggestions notwithstanding, the record suggests little urgent pressure from congressional overseers to face

6. See Michael Warner and Kenneth McDonald, *US Intelligence Community Reform Studies Since 1947*, Center for the Study of Intelligence, 2005.

7. One of the more fundamental differences in the recommendations of the two groups concerned the management of defense intelligence. IC 21 argued that strengthening the DCI’s role in national intelligence needed a companion strengthening of overall intelligence within the Defense Department, through creation of a single, powerful, high-level DOD intelligence official. This position had been advanced in several earlier studies, especially an effort undertaken in 1971 review led by James Schlesinger, who shortly thereafter (and briefly) served as DCI. Aspin-Brown pointedly disagreed with this recommendation.

the question of whether intelligence was adequately realigned to deal with the world as it existed in the period before September 2001.

After, 2001, of course, things changed. Roberta Wohlstetter's insight of the "signal to noise" problem as it pertained to the attack on Pearl Harbor remained valid, despite any number of critics who claimed to distinguish – with perfect clarity — meaningless noise to precise and timely signals of impending attack. Unfortunately, this precision was available only after.

Over the next several years, spurred by the 9/11 attacks and by the controversies surrounding the role of intelligence in building the case for the invasion of Iraq, public and congressional pressure for reform of intelligence ebbed and flowed. By the summer of 2004, when President George W. Bush nominated Porter Goss as DCI,

it seemed to many that the surge for fundamental change, including the transference of Community leadership from the DCI to a new Director of National Intelligence (DNI), seemed unlikely, at least until after the election. But the release of the 9/11 Commission Report late in the summer changed that. Whatever one thinks of the report, on which disagreement remains, it created a tidal wave of pressure for change, promoted by the very public role of families of the 9/11 victims.

Almost immediately, both Senator John Kerry, the Democratic nominee, and President Bush issued statements endorsing the report and promising action. The result was the Intelligence Reform and Terrorism Prevention Act of 2004. As readers will know, the IRTPA created a Director of National Intelligence, leaving the Director of the Central Intelligence Agency with no Community control. Whether the Act gave the DNI such control remains, seven years (and now four DNIs) after passage, unclear. The IRTPA as passed significantly restricted the authority, especially budgetary authority, that had been included in the Senate version of the bill. This limitation notwithstanding, the DNI has achieved significant and promising changes in important areas, especially in the requirement of joint assignments for intelligence officers seeking careers at senior levels and in major aspects of analytic standards. Whether such long-term changes are sufficient to warrant the creation of an additional layer

of management remains to be seen.

Two additional challenges confront next stages in "intelligence reform." As noted above, the United States has moved from a post-9/11 national security environment to what could be called a "post-post-9/11" environment, with no clearer description yet provided. Terrorism remains an important issue, but no issue offers the prospect of the forty-year central adversary provided by the Soviet Union. Is China a strategic threat? Or a potential strategic partner? To what degree is cybersecurity a national security issue? Or a criminal issue? And within those lines, how

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much of the responsibility to deal with cyber issues rests with government versus the private sector organizations that "own" most of the cyber structure? Even a quick glance at the most recent DNI annual threat statements to Con-

gress attest not just to the volatility of the security environment but to the degree that threats link together. How do the nation's security instruments, including intelligence, align themselves with this environment?

The second issue confronting – and complicating — further reform of intelligence is the near certainty that defense spending, after a decade of increases, will decline. In the American experience, as defense budget go, so go intelligence budgets. Over time, because of the presence within the Defense Department of the service intelligence components but also the "national" agencies, i.e., NSA, NRO, NGA, the percentage of defense spending dedicated to intelligence has increased slightly but by and large has remained remarkably constant. Periods of austerity have generally followed the same, largely parallel, direction. Is it possible this pattern could be broken? That is at least possible, but clearly not certain.

What impact will this next austerity period have on changes in the intelligence establishment? One could conclude from previous reform periods, that American intelligence since 1947 has accepted certain changes, certainly in the technology with which it performs its missions, but has been more resistant to changes or proposed changes that could affect its fundamental structure. Without question, the decade that followed the attacks of September 2001 has produced progress in information sharing across

agencies and in the acknowledgment of the value of open source information, to cite two examples. The question remains, however, whether these changes have been sufficient to keep pace with changes in both the geopolitical world and the concurrent changes taking place in the information environment in which the world now functions. If the external environment moves at a rate of 2X over some period of time, it makes little sense to boast of internal change at the rate of 1X.

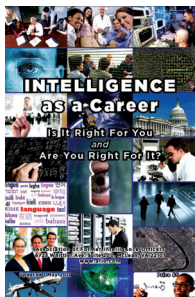
Perhaps the most significant unanswered question for the years immediately ahead is that of the role of the DNI. Using the austerity of the 1990s as an example, it seems in retrospect that the budget cuts associated with the “peace dividend” that followed the collapse of the Soviet Union did enormous damage to the capability of U.S. intelligence. What may be less apparent is that reaction to those cuts, within presidential administrations, the Congress, and the agencies themselves was as damaging as the reductions themselves. On the morning of , 2001, American national security, including intelligence, was still looking for an overall strategy – even a defining metaphor that could guide its actions. In intelligence, the absence of such a strategy had left the initiative for dealing with the new budget realities to each agency, with little overall direction. In the next four to five

years, it is at least possible that the DNI can emerge from a sometimes difficult birthing period to provide a greater sense of direction and purpose to a community dealing with difficult budgetary circumstances at a time of great complexity in its operating environment. If that should be the result, a report card from 2015 or 2020 on the Intelligence Reform Act of 2004 and its most important action could prove very positive. 🦅



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One of the primary missions of AFIO is to help educate the American public about the role that Intelligence plays in safeguarding America's security. But the Intelligence Community can be bewildering to many who have not actually worked for one of the 16 agencies that comprise it. The proliferation of threats over recent years, and the expansion of our government's efforts to meet these threats, have made it more difficult for many who may wish to join this effort to know how and where they can help.

To address this, AFIO has published a booklet, entitled *Intelligence as a Career: Is It Right For You and Are You Right For It?* Aimed at high-school and college students who might be considering a career in the intelligence or security fields, the booklet discusses the broad differences between analysts and collectors, and how these differences vary throughout the IC. It answers questions about prerequisites and the optimum skill mix for candidates; it compares the pros and cons of private industry versus government occupations; and it contains some frequently asked questions about careers in intelligence.

The booklet lists all 16 members of the IC, with a short description of each one and an overview of the application process. It lists websites for each. Finally, it contains an updated section on institutions that offer courses in intelligence and security, starting with the DNI's Centers of Academic Excellence.

The booklet is available free online as an easily downloaded PDF or as a webpage. Both digital versions are located at [www.afio.com](http://www.afio.com) — at the top of the main webpage, or click on Careers. It is also available in hard copy. For university professors teaching in this field, it is available in quantity at no charge. Send requests to [aep@afio.com](mailto:aep@afio.com).