THE ARTS
CHILD POLICY
CIVIL JUSTICE
EDUCATION
ENERGY AND ENVIRONMENT
HEALTH AND HEALTH CARE
INTERNATIONAL AFFAIRS
NATIONAL SECURITY
POPULATION AND AGING
PUBLIC SAFETY
SCIENCE AND TECHNOLOGY
SUBSTANCE ABUSE
TERRORISM AND HOMELAND SECURITY
TRANSPORTATION AND INFRASTRUCTURE
WORKFORCE AND WORKPLACE

This PDF document was made available from www.rand.org as a public service of the RAND Corporation.

Jump down to document

The RAND Corporation is a nonprofit research organization providing objective analysis and effective solutions that address the challenges facing the public and private sectors around the world.

Support RAND

Purchase this document

Browse Books & Publications

Make a charitable contribution

For More Information

Visit RAND at www.rand.org

Learn more about the RAND Corporation

View document details

Limited Electronic Distribution Rights

This document and trademark(s) contained herein are protected by law as indicated in a notice appearing later in this work. This electronic representation of RAND intellectual property is provided for non-commercial use only. Permission is required from RAND to reproduce, or reuse in another form, any of our research documents for commercial use.

This product is part of the RAND Corporation occasional paper series. RAND occasional papers may include an informed perspective on a timely policy issue, a discussion of new research methodologies, essays, a paper presented at a conference, a conference summary, or a summary of work in progress. All RAND occasional papers undergo rigorous peer review to ensure that they meet high standards for research quality and objectivity.

OCCASIONAL
PAPER

The Next Steps in Reshaping Intelligence

Gregory F. Treverton

Approved for public release; distribution unlimited

RAND
CORPORATION

This research in the public interest was supported by the RAND Corporation, using discretionary funds made possible by the generosity of RAND's donors and the fees earned on client-funded research.

ISBN: 0-8330-3857-5

The RAND Corporation is a nonprofit research organization providing objective analysis and effective solutions that address the challenges facing the public and private sectors around the world. RAND's publications do not necessarily reflect the opinions of its research clients and sponsors.

RAND® is a registered trademark.

© Copyright 2005 RAND Corporation

All rights reserved. No part of this paper may be reproduced in any form by any electronic or mechanical means (including photocopying, recording, or information storage and retrieval) without permission in writing from RAND.

Published 2005 by the RAND Corporation
1776 Main Street, P.O. Box 2138, Santa Monica, CA 90407-2138
1200 South Hayes Street, Arlington, VA 22202-5050
201 North Craig Street, Suite 202, Pittsburgh, PA 15213-1516
RAND URL: http://www.rand.org/
To order RAND documents or to obtain additional information, contact
Distribution Services: Telephone: (310) 451-7002;
Fax: (310) 451-6915; Email: order@rand.org

Summary

The bill signed by the President in December 2004 could serve as the beginning of a real reshaping of U.S. intelligence, but it is hardly the end. Under the shadow of September 11, 2001, it did what could not be done before—create a Director of National Intelligence (DNI) in charge of the 15 U.S. intelligence agencies. Yet the law gives the DNI, John Negroponte, a hunting license more than a full mandate. As the commission investigating U.S. intelligence on weapons of mass destruction (WMD) put it, he has "broad responsibilities but only ambiguous authorities."

The law reshaped how U.S. intelligence is organized; the next steps are transforming how it does its business—matters much more of organizational culture than of an organization chart. Those next steps are:

- Building capacity to manage
- Shaping intelligence by mission or issue, not collection source or agency
- Improving analysis
- Taking advantage of a very different workforce
- Targeting collection.

Finally, and ultimately most important, the intelligence culture of secrecy and "need to know" is dangerously out of date. That culture is designed to protect information, not share it, which ultimately frustrates almost all reform ideas and efforts. Analysis of terrorist threats, for instance, would be improved by consulting people who have *no* "need to know" but bring a different perspective and might see patterns the ostensible experts do not.

Building Capacity to Manage

In principle, the DNI has broad programmatic authority to develop the National Intelligence Program (NIP) and personnel policy for civilian employees in all the agencies. In that sense, the DNI's authority over the nation's intelligence budget is roughly comparable to that of the Secretary of Defense over total defense spending. The limitations on DNI authority are more apparent at the level of *execution*—for instance, restrictions on moving more than a hundred people to any particular new joint intelligence center or on reprogramming more than 5 percent of any agency's budget.

The challenge for the DNI only begins with formal authority. As the capabilities of "national" collection systems in the NIP have improved, they have become increasingly important to warfighters for tactical purposes, and thus the distinction between "strategic"

and "tactical" has blurred. As a result, intelligence and the Pentagon share assets and compete over whose needs are more important, especially because supporting warfighters is an open-ended mission: More is always better. The competition also risks duplication, since the military seeks intelligence systems integral to operational units, ones it can count on. The challenge for the DNI, working with the Secretary of Defense, will be to provide some strategic framework for the argument over needs and thus to reduce the risk of needless duplication.

The starting point is beginning to build the analytic clout to fashion an intelligence program and budget that will be compelling both to internal administration decisionmakers and to Congress. The previous Community Management Staff (CMS)—which the law transferred to the DNI, along with the National Intelligence Council (NIC)—is nowhere near up to the task. Its budget function was largely confined to lobbying for programs and to a "bean-counting" review; in conflicts with the Pentagon, it almost always lost.

Relations between the DNI and the Central Intelligence Agency (CIA) Director will be complicated. Director Negroponte seemed to win the early rounds, with the President indicating that he, not the CIA Director, would deliver what had been the CIA's crown jewel, the President's Daily Brief (PDB). Yet the DNI has two jobs—managing the Intelligence Community and serving as the principal intelligence advisor to the President—and balancing the two will be no easy feat. A DNI who tilts the balance between managing and advising too far toward the former would risk losing the credibility to manage. Conversely, tilting it too far toward the latter would risk losing the time to manage.

Shaping Intelligence by Mission, Not Collection Source or Agency

Cold War intelligence was organized, on the collection side, around sources—signals (SIGINT), imagery (IMINT), and espionage (human intelligence, or HUMINT)—and, on the analytic side, around agencies, such as the CIA or the Defense Intelligence Agency (DIA). The most sweeping change in the law created national intelligence centers under the authority of the DNI, which are organized around issues or missions. The centers, with the National Counterterrorism Center (NCTC) as the prototype, would both deploy and use the information, technology, and staff resources of the existing agencies—the CIA, DIA, National Security Agency, and others. The centers would be intelligence's versions of the military's "unified commands," looking to the agencies to acquire the technological systems, train the people, and execute the operations planned by the national intelligence centers.

The December bill licenses the creation of centers but has little to say about any center other than NCTC. The DNI will have to decide which ones to create and, more important, begin to fashion the infrastructure of both technology and people to enable them and change the culture to accommodate them. The existing agencies will resist becoming mere "force providers," not "doers," and will argue, with some reason, that the centers will be consumed by the very hottest current issues.

Improving Analysis

The WMD Commission was direct, and damning, about intelligence before the Iraq war: "This failure was in large part the result of analytical shortcomings; intelligence analysts were

too wedded to their assumptions about Saddam's intentions." The need to reshape analysis is dramatic. Current and future threats to the United States are global and adaptive, blurring distinctions between crime, terrorism, and war. State threats come with a shape and "story," one shared by intelligence and policy, but terrorist threats do not. Most important, given the asymmetric nature of the threat, future analysis becomes net assessment, where understanding "blue"—what the United States is doing—is as critical as understanding "red"—U.S. foes. But that idea runs directly against powerful norms in U.S. foreign intelligence—that is, "Thou shalt not assess America or Americans."

Today's analysis is dominated by the urgency of the immediate. The crown jewel analysis, the PDB, is jokingly referred to as "CNN plus secrets." In fact, intelligence needs to provide both current reporting and deeper understanding. In solving puzzles about the Soviet Union, analysts worked alone or in small groups, as parts of hierarchies. In trying to understand terrorism, analysts need to be part of larger virtual networks, across specialties and agencies. Moving toward a center-based organization will facilitate those networks.

But the centers will need to be accompanied by a wide range of experiments and innovations in analysis—to reach out beyond secrets; to make much wider use of method and technology for aggregating expert views to searching, data mining, and pattern recognition; and to search data for the out of the ordinary, not just for confirming evidence. The groups inside intelligence that are thinking beyond the immediate—the NIC, for instance, or the CIA's Strategic Assessments Group—need to be reinforced.

Taking Advantage of a Very Different Workforce

All the intelligence agencies have grown dramatically since September 11, 2001, and this growth has provided wonderful opportunity. The young recruits are fearless and computer savvy. They will not stand for the information environments—compartmented, slow, and source driven—that current intelligence provides. Nor will they long be satisfied with work beats that amount to, as one new recruit put it, "a few square miles of Iraq."

The Intelligence Community will not attract, or will soon lose, these young people if it does not accommodate to how they think and learn. At the front end of the personnel cycle, intelligence might take advantage of demographics and build "gray-green" teams like the best Wall Street firms, combining savvy veterans with fearless newcomers. Lateral entry has been rare, particularly given the demands of security clearance, and a large percentage of those who have joined have stayed for an entire career. That will not be true into the future, though. Many young professionals, seeking challenges, will want to move on, perhaps returning later, pursuing what might be called "portfolio" careers, combining experiences in different sectors. At the senior ranks, too, intelligence needs to open up, inviting in economists, scientists, and other senior professionals it could not hope to retain for a career but might call upon for stints of several years.

The influx can also be an opportunity to build real "jointness" in what is called the Intelligence "Community" but in reality is not. In that sense, training ought to emulate the military in being joint and integral to careers. At present, intelligence is very far from that vision. For the most part, training is discretionary and individual, not required and strategic. Too often the best intelligence officers are deterred from training by the imperative not to "leave the flagpole." And intelligence agencies do not have the slack in their officer ranks to

permit officers to routinely depart for several months or even a year. The newly created National Intelligence University can be the capstone and symbol of jointness in training.

Targeting Collection

In the words of the WMD Commission: "The intelligence failure in Iraq did not begin with faulty analysis. It began with a sweeping collection failure." Every blue-ribbon panel calls for improving America's espionage, or HUMINT. The call is worthy, but expectations have to be reasonable. Beyond HUMINT, much of the U.S. collection architecture, such as satellites for IMINT and eavesdropping, is pretty well understood by would-be adversaries. Those adversaries routinely camouflage sensitive activities when they know satellites are overhead. As a result, U.S. intelligence produces too many data and too little information: New technical collection systems, especially for imagery, threaten to overwhelm processing.

Thus, the long-term challenge for U.S. intelligence is to move away from passive surveillance techniques toward more directed collection and to shorten the cycle of innovation so as to be less predictable for would-be targets. For espionage, that means making much more use of America's ethnic diversity and moving spying out of official cover. That will require, however, both money and the least American of traits, patience. On the technical side, innovations may remain secret but, as in Silicon Valley, not for long; therefore, intelligence will have to adapt faster than its targets if it is to stay ahead. For signals, adapting means finding new ways to get very close to its targets; for imagery, it means more use of smaller satellites, or drones, or stealth technology. It also means using new parts of the spectrum, like hyperspectral imagery, to identify effluents from buildings or factories, as well as a range of technologies in what is called MASINT, or measurement and signature intelligence.

Pushing innovation and making better choices across the collection stovepipes is the chief rationale for having a DNI in the first place. The DNI can begin to develop the analytic capacity to make trade-offs across them: How do ground stations compare with satellites for particular SIGINT missions? Can HUMINT do a mission more cheaply? The existing Collection Concepts Development Center, which assesses collection against particular targets, across the stovepipes, is one place to start. The WMD Commission suggests that the DNI create an "integrated collection enterprise" for the Intelligence Community to provide for coordination across the entire cycle—from planning new systems, to developing strategies for deploying existing systems against priority targets, to processing and exploiting information that is produced.