Introduction

In accord with the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), in February 2005 President George W. Bush nominated John D. Negroponte to serve as the first Director of National Intelligence (DNI). Shortly thereafter, the Presidentially mandated Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction (the "WMD Commission"), co-chaired by former Senator Charles S. Robb and Judge Laurence H. Silberman, issued its report. Ultimately, the President endorsed 70 of the Commission's 74 recommendations, approved detailed implementation plans, and assigned implementation of the vast majority of recommendations to the DNI.

Since its establishment in spring 2005, the Office of the DNI (ODNI) has closely monitored and tracked implementation of the Commission's recommendations—ensuring that each met the Commission's original intent as well as the more specific implementation plans endorsed by the White House. This has been in addition to reform efforts in compliance with, for instance, the IRTPA. In looking at the Intelligence Community (IC) a year later, a good deal has already changed. A review of the WMD Commission recommendations, though by no means exhaustive, provides a good basis for assessing the breadth of those changes and for prioritizing the ODNI's goals for continuing IC reform in the coming year.

I.   An End-to-End Enterprise: Realizing the Vision for Mission Management

Recognizing the value the ODNI could add by integrating all aspects of intelligence, particularly on high-priority intelligence targets, the WMD Commission recommended that the DNI create "Mission Managers" to bring the full array of the DNI's authorities and tools to bear upon specific targets. The Commission also recommended that the DNI create a comprehensive, or "end-to-end," collection enterprise that would improve target development and collection management against all topics. In the past year significant progress has been made toward realizing this vision—both for specific mission managers and for a broader mission management process with enhanced collection management.

+ To direct and organize strategic efforts across collection, analysis, and all intelligence disciplines, the DNI promulgated the first National Intelligence Strategy in October 2005. (*Recommendation 7.01*)

+ In November 2005 the DNI directed the establishment of Mission Managers for counterterrorism, counterproliferation, Iran, and North Korea. In Intelligence Community Directive 1 the DNI also designated the National Counterintelligence Executive (NCIX) as Mission Manager for counterintelligence. While the National Counterterrorism Center (NCTC) and the NCIX existed in some form prior to the ODNI's establishment, the National Counterproliferation Center (NCPC) and the Mission Managers for Iran and North Korea have built their offices from scratch, erecting entirely new structures for organizing the IC on these key topics. The ODNI has had considerable success in establishing its Mission Managers as the principal designees for ensuring that the Community addresses key intelligence needs on high-priority topics and aggressively seeks to close critical intelligence gaps. (*Recommendations 6.01, 8.01, and 11.01*)

+ The ODNI's offices for analytic mission management and the Hard Target Boards have initiated a new targeting process in which analysts formulate detailed targeting lists to penetrate hard targets for use by the ODNI's office for collection. (*Recommendation 6.02*)

+ In response to the Commission's critique of the National Intelligence Collection Board (NICB) process, the ODNI has overhauled the NICB, establishing a new framework that involves closer collaboration with analysts and employs a more systematic approach to identifying and addressing collection gaps. (*Recommendation 7.01*)

+ The ODNI is currently in the midst of developing an Integrated Collection Architecture, a mapping of the IC's collection resources and capabilities across all disciplines that will provide a baseline for future planning decisions. The technical portion of the architecture is slated for completion by fall 2006. (*Recommendation 7.01*)

+ To direct and organize strategic efforts across collection, analysis, and all other intelligence disciplines, the DNI promulgated the first *National Intelligence Strategy* in October 2005. (*Recommendation 7.01*)

+ To direct the IC's Science and Technology (S&T) efforts strategically and ensure that the United States is prepared to face growing technological intelligence challenges, the Associate DNI for S&T is preparing an S&T Investment Plan for the IC. The first of its kind, the plan identifies gaps in the IC's S&T efforts and sets aside resources to close them. The Associate DNI for S&T has also implemented new human resources programs to reward, recruit, and retain top S&T talent with prestigious awards and career-enhancing rotational assignments. (*Recommendation 6.05*)

II.   **Structural Change: Creating New Organizations and Rationalizing Old Ones**

Among the major structural changes over the past year, the most immediately relevant is the standup of the ODNI itself. Yet many of the Community's new structures lie outside the ODNI, consistent with the Commission's vision of a top-level management structure with decentralized execution. Over the past year the IC has established several important new organizations: the National Clandestine Service (NCS), to reshape HUMINT collection by serving as the national authority on HUMINT across the IC; the National Security Branch (NSB), to invigorate and institutionalize intelligence reforms at the FBI; and the Open Source Center (OSC), to raise the stature and availability of open source material. The DNI has also strengthened the NCTC, which is currently establishing counterterrorism analysis "lanes in the road" and augmenting its analytic cadre.

+ On December 21, 2005 the DNI announced the formal establishment of the NCPC. Consistent with the WMD Commission Recommendation, the NCPC is small (with fewer than 75 officers) and, rather than conduct analysis, will provide strategic direction for the entire counterproliferation (CP) community. Also in accord with the Commission's recommendations, the NCPC has a designated Bio Threats Advisor and is establishing an Advisory Board specifically for biological threats. Among other initiatives, the NCPC has undertaken an "Over the Horizon" Program to look at emerging or potential WMD

programs or problems; begun to develop integrated analytic and collection strategies against key proliferation targets; launched an Innovation Fund to support proposals for improving CP intelligence; and designed a Human Capital Initiative to develop a CP training curriculum. Finally, the NCPC is evaluating CP funding throughout the IC to inform the DNI's budgetary decisions on where and how money can be best spent. (*Recommendations 6.06, 13.01, 13.02, 13.03*)

+ The WMD Commission's Iraq case study, among others, demonstrated the need for increased interagency HUMINT coordination, better and more uniform tradecraft standards, and increased joint training for operators. In response, on October 13, 2005, consistent with the Commission's recommendation and working in close coordination with the ODNI, the CIA received the President's approval to establish the NCS. The Director of the NCS has new Community responsibilities related to clandestine HUMINT operations, in addition to managing the CIA's Clandestine Service (the former Directorate of Operations). The Director of the NCS serves as the national authority for the integration, coordination, deconfliction, and evaluation of HUMINT operations across the IC. Included as part of the NCS's mission, as envisioned by the Commission, is implementation of common standards for training, tradecraft, asset validation, reports standardization, HUMINT-related research and development, and other areas affecting HUMINT operations. The NCS is currently staffing its new Community components and is beginning to formulate these Community standards. (*Recommendations 7.03 and 7.04*)

+ On September 12, 2005 the FBI established the NSB to bring together under a single umbrella its counterterrorism, counterintelligence, and intelligence programs. The NSB is led by an Executive Assistant Director (EAD) for National Security with direct line authority over the FBI's CT and CI Divisions as well as its Directorate of Intelligence. Creation of the NSB has changed the way the FBI interacts as a member of the IC. The EAD now attends weekly meetings of the "Big Six" IC agency leaders with the Principal Deputy DNI, a shift from the previous "Big Five" model that excluded the FBI. In January 2006 the NSB initiated a pilot program in five field offices (San Francisco, Pittsburgh, Charlotte, Miami, and Little Rock) to test the NSB concept in the field. The FBI launched a second phase, to include five more field offices, in May 2006. The FBI is also engaged in developing an advanced training program for agents and is improving its intelligence training for analysts by requiring that new analysts enter a five-week analytic training program upon their arrival. Further, the FBI's intelligence budget has been rationalized, a cornerstone of the Commission's recommendations, with an initial realignment of this funding enacted in FY 2006. (*Recommendations 10.01 and 11.05*)

+ Recognizing the growing importance of open source intelligence, the WMD Commission recommended creation of an Open Source Directorate at the CIA to improve exploitation and availability of open source capabilities and information. On November 1, 2005 the DNI established the OSC, with the CIA as its executive agent. The OSC has already seen returns on its efforts; open source analytic pieces have received greater senior policymaker attention than in previous years and the Center's internet resources have registered a surge in interest from the IC. The Assistant DNI for Open Source has promulgated a strategy for a decentralized but centrally managed National Open Source

Enterprise and is working to professionalize the Community's open source cadre. Toward this end, the OSC has opened its training academy to others from around the Community and is developing a core guild of analysts to conduct open source outreach across the IC, an effort it will continue into 2007.

+ The ODNI has also helped bring centralized management and oversight to Measurement and Signals Intelligence (MASINT). Consistent with the applicable WMD Commission recommendation, in July 2005 the DNI appointed a MASINT Community Executive and realigned critical MASINT responsibilities to help clarify IC roles and make MASINT resources more transparent and easier to manage. The Executive will review the MASINT portion of each IC program budget prior to DNI approval and provide input as necessary. (*Recommendation 7.08*)

III. Collection and Analysis: Improving Community Tradecraft

Below the level of organizational change are several changes the Commission recommended to remedy specific tradecraft or methodological problems. The Commission perceived an IC that had not institutionalized alternative analysis and thus fell prey to its own ingrained assumptions (as in the case of pre-war intelligence on Iraq), that often tied itself in knots trying to unravel or rationalize rules on protecting the privacy of U.S. persons, and that was unable to differentiate between sources from different agencies or validate them using consistently rigorous methods. The IC has made a number of improvements to its tradecraft practices in response to the WMD Commission recommendations.

+ In response to the Commission's observations that the President's Daily Briefing (PDB) tended to have a myopic focus on the issues of the day, that it should incorporate competing conclusions and the reasons for disagreement into articles, and that redundant reporting streams to the President should be consolidated, the ODNI opened the PDB to IC contributions beyond the CIA and eliminated a separate stream of counterterrorism reporting to the President by incorporating it into the PDB. Today, all agencies can contribute to the PDB and many, including DIA, INR, OSC, NCTC, the National Intelligence Council (NIC), NSA, FBI, and the military services, have done so. In July 2005 the PDB staff established a strategic planning team to ensure that strategic and long-term issues are addressed. These innovations have been accompanied by changes in analytic tradecraft. PDB and NIC products now incorporate alternative views to illuminate where and why differences in judgment exist, encouraging IC analysts to adhere to the PDB's rigorous tradecraft standards in all their analytic work. (*Recommendation 8.14*)

+ Another institutional change that is gradually reshaping analysis is the creation of a Long Range Analysis Unit under NIC auspices. The aim of the Unit, as envisioned by the Commission, is to create a haven where analysts can concentrate on long-term projects, free from the demands of producing current intelligence. The Unit has already completed a National Intelligence Assessment on "Global Democratization and Promotion Strategies, 2006-10" and has several other projects underway. (*Recommendation 8.06*)

+ In a related recommendation, the Commission proposed the creation of a not-for-profit sponsored research institute to expand contacts with those outside the IC. The Administration chose instead to rely on existing IC outreach mechanisms and other means to address this need. The ODNI appointed a Coordinator for Analytic Outreach to lead the ODNI's outreach initiative and chair a coordinating body composed of members from all 16 IC elements. One new ODNI-sponsored external outreach event is the Summer Hard Problem Initiative, a series of intensive summer studies that will bring together outside experts to address challenging analytic problems. *(Recommendation 8.04)*

+ Among its recommendations for improved analytic tradecraft, the Commission proposed that the DNI foster diverse and independent analysis throughout the IC by encouraging alternative hypothesis generation. Various agencies have acted on this recommendation, incorporating alternative analysis into their research plans and analytic units. The CIA, for instance, has developed alternative analysis cells in every office in the Directorate of Intelligence. DIA has encouraged debate through its "Devil's Advocate Program." DHS has established an Alternative Analysis Division and an analytic Red Cell unit. Meanwhile, the ODNI is working with IC partners to promulgate Community standards for diverse and independent analysis and has expanded the NIC associates program to include experts in analytic methodology. *(Recommendation 8.07)*

+ Another key to improving analysis called for by the Commission was greater collaboration among IC analysts. The ODNI's Analytic Resources Catalog is both a database and tool that meets these requirements. The Catalog contains information on 17,000 IC analysts throughout the IC, including current assignment, professional experience, academic background, language ability, and other biographical information. *(Recommendation 8.01)*

+ Sourcing for NIC products, including National Intelligence Estimates, and the PDB has improved a great deal over the last year. NIC products now include sections on the reliability and nature of, and gaps in, the intelligence upon which they are based. Marked improvements in these two Community products will encourage similar changes to analytic sourcing across the Community. The ODNI is also working on sourcing standards for the entire IC. *(Recommendation 8.10)*

+ In response to the Commission's recommendation, the ODNI is currently surveying the analytic community to identify S&T and weapons analysis capabilities and shortfalls as a prelude to devising and implementing strategies for improving the Community's analytic capabilities in key areas. The ODNI is also engaged in a project to increase the number of S&T developers supporting S&T analysts. This effort and others like it have been aided by the Analytic Resources Catalog. *(Recommendation 8.12)*

+ Working side-by-side with IC HUMINT collectors, the NCS has compiled a set of Community standards for asset validation of clandestine sources. The FBI has incorporated these standards into a new field source manual. As early as August 2005, Defense HUMINT responded to this WMD Commission recommendation by designing new reporting guidelines for HUMINT sources, drafting internal policies on overt source management and asset validation, and realigning reporting within the asset validation

program. *(Recommendation 7.05)*

+ The ODNI has established a new Lessons Learned Center to coordinate lessons learned and promulgate IC standards for lessons learned studies. The Center is currently working with the NCTC on a specific lessons learned project that will support future counterterrorism planning. This summer the Center is launching a series of symposia around the Community on lessons learned and will soon follow with new web services. The Assistant Deputy DNI for Analytic Integrity and Standards, working collaboratively with the Community's analytic elements, is developing tradecraft standards for the IC. She has also launched an evaluation of finished intelligence on several topics and will use the findings to focus analytic training. *(Recommendations 6.09 and 8.16)*

+ Working with the Department of Justice (DOJ) and attorneys from throughout the Community, the ODNI has completed a review of U.S. persons rules and procedures and prepared initial recommendations for changes to achieve consistency wherever possible. Unlike prior reviews, the final product will contain specific recommendations and implementation plans. The DNI has also appointed a Civil Liberties Protection Officer responsible for ensuring the due protection of civil liberties in the IC. *(Recommendation 9.04)*

IV. Human Capital: Laying the Foundations

Human capital is one of the areas where the ODNI has made the most progress in its first year—laying the foundations for an integrated Intelligence Community.

+ The ODNI established a centralized human resources authority for the IC in the person of its Chief Human Capital Officer. By working closely with agencies and departments across the Community, the Chief Human Capital Officer has initiated far-reaching human capital reforms that will affect the entire IC workforce. The ODNI has completed the first Strategic Human Capital Plan for the IC; developed competencies for analysts and managers across the Community to set baselines for IC-wide standards for promotion, qualification, training, and education; mandated individual Personal Performance Agreements for agency heads and senior IC executives to make them accountable for implementing agreed-upon innovations; completed policies that will make joint duty a prerequisite for promotion to senior levels of the IC; and initiated development of a modern, performance-based compensation system for civilian employees that will be completed over the next two years. *(Recommendation 6.04)*

+ To complement the implementation of a performance-based compensation system, the ODNI is developing a comprehensive non-monetary awards program. Initial efforts have built on previous IC and agency-specific awards for analytic excellence. Although implementation of this recommendation has not yet addressed incentives beyond prizes and such "awards" as increased travel, training, rotations, and sabbaticals, the second phase of implementation will involve less tangible incentives. *(Recommendation 8.15)*

+ The Commission's recommendations in the human capital arena also focus on the need for more centralized training and greater education oversight. To date, the National

Intelligence University (NIU) system has focused on developing competency models that will shape training standards for analysts, managers, and all other IC members. The Office of the Deputy Director for Analysis is working with the NIU to develop a new introductory training course for IC analysts. The NIU has also begun to offer training services on matters of common concern to agencies. For example, it will soon open 25 percent of the enrollment in core leadership/management training courses to participants from outside the hosting agency, thereby increasing the Community nature of such courses and promoting cross-fertilization. *(Recommendations 8.08 and 8.09)*

V. Information Access: Beyond Sharing

Information sharing has been one of the imperatives driving intelligence reform since September 11, 2001, yet the challenge posed extends far beyond the IC to encompass the federal, state, local, and tribal levels and the private sector. The IRTPA required the President to establish an Information Sharing Environment (ISE) to facilitate the sharing of terrorism information among federal, state, local, and tribal agencies and, as appropriate, with private-sector entities in a manner consistent with national security and applicable legal standards relating to privacy and civil liberties. The IRTPA also called for the designation of a Program Manager to oversee ISE implementation and management. The WMD Commission subsequently recommended that the Program Manager be incorporated into the ODNI, a change the President made in June 2005.

The recommendations regarding information sharing present formidable challenges for the U.S. Government and the IC in particular. In many cases, improved information sharing requires the reexamination of such foundational policies as classification and U.S. Persons rules. The issue of information access is broader than information sharing and will require changes to how the IC categorizes, processes, and handles information of all kinds, an effort that will extend over the next several years.

✦ In addition to the Program Manager, the creation of the ODNI put in place a second institutional feature that will help drive information sharing: the ISE Program Manager mentioned above, and the DNI Chief Information Officer (CIO), a Senate-confirmed member of the DNI's senior leadership team. The CIO has substantially greater authority over IC information technology than was previously vested in a single individual. In addition, the Deputy Director of National Intelligence for Customer Outcomes is helping advance changes in information sharing by consulting with key customers—such as military and law enforcement officials—regarding their needs. *(Recommendations 9.01 and 9.02)*

✦ The CIO, appointed in December 2005, has pursued implementation of a classified information sharing initiative designed to enhance and expand information sharing with key U.S. allies. Bold measures were needed to push this initiative through the interagency process, illustrating the value of an independent arbiter to manage risk corporately. While the success of this program is only one step toward overhauling the IC's information management system, as called for in the Commission report, it represented a paradigm shift in the IC's information sharing policies. The CIO has also

overcome barriers to information sharing and implementation of information sharing standards. For instance, by dismantling prohibitive firewalls, leveraging commercial technologies, and inter-connecting DoD and IC transport systems, the CIO has allowed for broader federal access to INTELINK's Sensitive But Unclassified domain. This initiative increased the potential customer base approximately four-fold to four million users across the Federal government, providing unencumbered access to this rapidly growing environment. Government officials and subject matter experts outside the IC, including those at the Departments of Health and Human Services and Justice, can now actively share information and collaborate over this IC network. *(Recommendation 6.03)*

+ The WMD Commission recognized the importance of building on existing enterprise architectures (information networks and structures) to create the information sharing environment. Faced with a plethora of existing systems, not to mention myriad studies and surveys on the Federal government's terrorism information sharing capabilities, the Program Manager dedicated most of the first year to establishing a baseline for these capabilities to ensure that the Program Manager's final analysis was grounded in solid assumptions. Working closely with the CIO, the Program Manager will soon issue an Implementation Plan Report that will include, along with a recommended design and implementation plan for the ISE, recommendations on whether to expand the ISE to encompass all intelligence information. These reports follow a preliminary report to the President and Congress on June 15, 2005 and an interim report on the creation of the ISE in January 2006. The Program Manager has rolled out "blue pages" as part of its electronic directory services (as called for in recommendation 9.06) that will provide agency contact information for all agencies with counterterrorism responsibilities in the Federal government. These blue pages will be followed by yellow and white pages that will include more specific information. *(Recommendations 9.01 and 9.06)*

+ One of the recommendations on information sharing calls for the DNI to simplify and modernize the information classification system. Several new ODNI classification policies are currently in the final stages of review, but more significant shifts may be required. If so, the DNI's classification and declassification authorities may require strengthening. The ODNI is currently engaged with the NSC in examining the possibility of broader change. *(Recommendation 9.07)*

+ A related information access problem pertains to disclosures of intelligence information—authorized and unauthorized. With respect to authorized disclosures, the IC's challenge is to improve security awareness and exercise appropriate caution when releasing information. The ODNI is investigating different disclosure policies IC agencies have in place before disseminating an IC-wide policy. With regard to unauthorized disclosures (or "leaks"), the IC has done a great deal to improve training and awareness, implement audit technologies, and ensure follow-through on investigations. The DOJ and ODNI are also working closely on leaks issues. In March 2006 the ODNI issued policies to consolidate IC reporting of leaks and is now preparing to issue a Community-wide directive on disclosures. *(Recommendations 7.10 and 7.01)*

+ The final recommendations on information access—8.05, 8.11, and 8.13—pertain to analytic tools and making analysis available to customers and intelligence officials in

innovative ways; combined, they have significant implications for the IC. The ODNI is currently engaged in several projects to foster the use of more multi-INT analytic tools to improve the IC's collection against difficult targets, and in the fall will roll out an Executive Intelligence Summary that will provide intelligence users a daily web-based compendium of IC reporting. (*Recommendations 8.05, 8.11, and 8.13*)

Conclusion

In its first year, the ODNI and the IC have issued a National Intelligence Strategy, restructured the IC's processes for collection management, established the National Security Branch and National Clandestine Service, made the PDB more of a Community product, and instituted changes in information sharing. The ODNI has made greatest use of its authorities in the personnel arena, though its strategic plans and integrated architectures foretell (and will enable) serious budgetary tradeoffs for the future. The ODNI actions outlined above will generate marked added value in the future.

Through these various reform efforts, the IC has made critical improvements to the security of the United States of America. The IC has met considerable success, has clear plans for moving forward, and remains committed to surpassing the Commission's recommendations.