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The Limitations of Recent Intelligence Reforms
Joan A. Dempsey

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The Limitations of Recent Intelligence Reforms

Joan A. Dempsey

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Joan Dempsey was elected vice president at Booz Allen Hamilton in 2005. Previously, she served for two years as the executive director of the President's Foreign Intelligence Advisory Board (PFIAB), having been appointed to that position by President Bush in July 2003. In May 1998, she was nominated by President Clinton and confirmed by the Senate to serve as the first deputy director of central intelligence for community management, a position she held until her appointment to the PFIAB. Prior to that, she spent seventeen years in the Department of Defense (DoD), where she held various positions, including deputy director of intelligence at the Defense Intelligence Agency (DIA), director of the General Defense Intelligence Program, and deputy assistant secretary of defense for intelligence and security under Secretary of Defense William Perry. She also has been a naval reserve officer since 1984 and was on active duty as a U.S. Navy cryptologic technician in the 1970s. In 2004 she received the Security Affairs Support Association William O. Baker Award and was granted an honorary doctorate from the Joint Military Intelligence College. In addition, she has been awarded the National Intelligence Medal of Achievement, the Intelligence Community Seal Medallion, the Distinguished Civilian Service Award from the Secretary of Defense, and The American University Roger W. Jones Award for Executive Leadership. She holds a bachelor of arts degree in political science and a master's degree in public administration, both from the University of Arkansas.

Oettinger: Let me turn it over to Joan Dempsey. You've all seen her biography. She is uniquely qualified to give us insight to the past, present, and future of the intelligence community, given her experience in almost every part of it at every conceivable level. Harking back to last week's apologies by Darryl Williams about arcane matters, I have urged her not to spare us anything arcane, because, as I tried to point out to you last week, that's where the crux of things really lies. So she will unapologetically get as arcane as any topic that she touches on requires.

Dempsey: Thank you, Tony. I'll make some comments for ten minutes or so, some of which will be designed to provoke discussion, but I'd really like to get your questions. I'm telling you this up front, because I hope you will have questions to ask. So be thinking of things you'd like to talk about as we get into this. Since you have my biography, I won't go into detail about what I've done, but you can ask me any of those questions as well.

I will tell you, though, that in my professional lifetime—in the twenty-five years that I've spent in government—I cannot imagine, and did not imagine when I started in government, the breadth and depth of change that I would get to be a part of, either as an observer or as someone actively involved in what was going on in the national security environment in the United States and around the world. I started out in the government in 1974, when I enlisted in the U.S. Navy. My first job with the Navy was intercepting—in terms of listening to their communications—Soviet TU-95 Bear-D aircraft uploaded with nuclear warheads and positioned to fly over the North Pole and hit Omaha and other strategic bases in the United States in the event that the Soviet government decided to launch a first strike against the United States. It was pretty heady work for an eighteen-year-old, and we always referred to ourselves as the first line of defense. If we were ever hung over on a midwatch, we figured that the United States was toast, because we would let a couple slip through.

That's where I started, so in the twenty-five years that I spent in the government (obviously from 1974 to last year was longer than twenty-five years) I have seen what is in essence the upending of our national security focus. The first time I saw a Lukoil gas station in Northern Virginia I was just stunned at the idea that a decade after the end of the Cold war the Russians were owning gas companies in the United States. It was inconceivable to me that we could have shifted so dramatically.

Why does this matter? Because in my opinion the shift in geopolitics preceded our ability in the United States to keep up in an intelligence or national security sense. On the national security side, we're actually better off because of the foresight that a number of senators and staff had in the 1980s when they drafted the Goldwater–Nichols Act, which was truly revolutionary legislation that fundamentally changed the way the DoD operates. I saw this with stunning clarity a week ago, when I met with the commander of Strategic Command [STRATCOM] in Omaha, and we spent two hours talking about intelligence, surveillance, and reconnaissance issues and information management. At the end of the two hours, I said "You know, we've sat here talking for two hours and you haven't mentioned nuclear weapons once, and yet you are the nuclear commander." He said, "You're right, we haven't, and that's because the issues that we're dealing with are so much more complex than the nuclear standoff with the Soviet Union that drove much of what STRATCOM and its predecessor, the Strategic Air Command, dealt with." It's such a different world that it's hard to get your head around it.

The Goldwater–Nichols Act, which fundamentally set the DoD on a different path, has resulted in innovation and some of the most forward-leaning activities in the national security sector. Its effects are now appearing in the unified commands as opposed to in the Pentagon or in the military services. I don't think anyone realized at the time that Goldwater–Nichols was developed how far it was going to take the DoD in terms of changing the way the department operates.

Unfortunately, we have not had a Goldwater–Nichols corollary on the intelligence side. We got legislation a little over a year ago that was rushed through Congress as opposed to having been developed over several years, as the Goldwater–Nichols bill was. The Intelligence Reform Act received very little serious analysis or evaluation on its way to enactment and—unlike Goldwater–Nichols, which went through several years of evaluations and back and forth on the part of the administration and the Congress—there was nothing even remotely akin to that with

the Intelligence Reform Act. It was passed in response to a catastrophic crisis in this country: 9/11, followed by the Iraq war and the problems of intelligence, rather than being considered under a much more measured approach, as Goldwater–Nichols was. It did not begin to extend to the sorts of far-reaching changes that Goldwater–Nichols produced for the DoD.

Oettinger: If I may piggyback on what Joan just said, many speakers over the last decade or two in this class have dealt with the development, enactment, and consequences of the Goldwater–Nichols Act. I mention that partly to toot our horn, and partly because those of you who by next week are still having a hard time finding a good paper topic can find a lot of stuff out now in the public record. You heard Gordon Lederman last week talk about it somewhat.[1] The Goldwater–Nichols Act as a model for intelligence reform is a topic that may appeal to some of you.

Dempsey: I was actually going to make that suggestion to you. There were any number of really fascinating aspects of the Goldwater–Nichols bill, one of which was that the Congress built into Goldwater–Nichols enough distance between the time the bill passed and the time the changes had to be made so that the leadership of the Pentagon would be gone before they would be affected. In other words, they pushed the really hard things out far enough that people knew they weren't going to have to implement it, and it was easier for them to agree to go along with the changes.

We didn't have anything like that on the intelligence side. It was very immediate. The organizations knew that they were going to lose something the day it was signed, and they all fought it as hard as they could. A comparison between how Goldwater–Nichols was developed, enacted, and then implemented and how intelligence reform came about would be a really interesting scholarly topic to take on, and I'd be interested in reading about it as well.

We have today in the intelligence community a very different situation from that facing the military in 1986. We have a bill that was enacted hastily. It is not all encompassing. In my opinion it is the worst solution to a problem: it established a new office and a lot of new positions without changing authorities. I spoke to your predecessor class a couple of years ago,[2] and said that when the position I held then—deputy director of central intelligence for community management—was established in the 1997 Intelligence Authorization Act, it was the result of Congress's not being able to come to agreement on any meaningful reform, so they created yet another position without due authorities to try to do what the Congress wanted done. Last year we did the same thing once again. We established new positions, because we could not agree on what sorts of authorities the head of intelligence in the United States ought to have. For the most part, the DNI [director of national intelligence] did not get a clear-cut increase in authority. He got more clear-cut responsibilities, but not an increase in authority.

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[1] Gordon Lederman, "Restructuring U.S. Intelligence," in *Seminar on Intelligence, Command, and Control, Guest Presentations, Spring 2006* (Cambridge, Mass: Harvard University Program on Information Resources Policy, I-06-1, in press).

[2] Joan A. Dempsey, "Intelligence and Homeland Security After 9/11," in *Seminar on Intelligence, Command, and Control, Guest Presentations, Spring 2004* (Cambridge, Mass: Harvard University Program on Information Resources Policy, I-04-1, May 2004), [On-line]. URL: http://www.pirp.harvard.edu/publications/pdf-blurb.asp?id=601

Further, because whenever there is an action in bureaucratic Washington there is a reaction, several things have happened since the DNI position was established that actually make his job a little harder. In November of last year, the secretary of defense transferred to the under secretary of defense for intelligence responsibility for the direction, control, and authority over all national intelligence organizations. That action culminated about twenty years of Pentagon or DoD staff offices trying to get direction, control, and authority for the national intelligence organizations, but no secretary of defense before Secretary Rumsfeld had agreed to delegate that responsibility.

What does this mean? A lot of people, most of them in the DoD, will argue that it really doesn't mean anything significant, but I disagree. Having spent seventeen years in the Pentagon, I have a pretty good sense of how the Office of the Secretary of Defense works, and having the day-to-day management responsibility for the national agencies has now given the under secretary tremendous power and leverage over those agencies that the DNI does not have. It really is a seismic shift, and we can get into that a little bit more if you would like.

Oettinger: Could you define the "national agencies" for us?

Dempsey: The national agencies are the National Security Agency [NSA], the National Reconnaissance Office, and the National Geospatial-Intelligence Agency [NGA]. The DIA is not a national agency; it's a departmental agency, and the under secretary for intelligence has always had direction, control, and authority over DIA. The only agency that is not included in that grouping is the Central Intelligence Agency [CIA], which of course works directly for the DNI and therefore for the president.

About 80 percent of the intelligence budget for the United States is embedded in those national agencies—the national collection agencies, predominantly. They provide intelligence for the entire government. The secretary of defense, who is a cabinet official and as a cabinet official has responsibility for ensuring that intelligence capabilities support the entire administration, has now delegated authority to an under secretary of defense who does not have that cabinet status, nor does he necessarily have the same responsibility. He would put DoD's requirements ahead of those of the rest of the government. So it's a very important shift that hasn't gotten much play in the press, or anywhere else for that matter.

Student: Why do you think that Rumsfeld agreed to this, or did nobody else want it?

Dempsey: I can only surmise, but I think it had to do with the establishment of the DNI and the Pentagon's concern that the DNI would have more authority over the collection organizations that are essential to supporting the DoD, particularly DoD's warfighting requirements. I don't think you would find anyone in the DoD who would express it exactly this way. I think the department probably saw it as trying to balance the standup and establishment of the new DNI.

Oettinger: Can I try a slightly different view and see if it holds water? When those agencies were created, what made them "national" was that the DoD was the executive agent, and I think this is still true. Essentially, the idea was that the agencies had to be put someplace, and so rather than create some other administrative construct the DoD was named the caretaker. Still, they were called "national" and intended to serve the president and other agencies as well as the DoD. I think what I hear Joan saying is that as long as the secretary of defense was the one who had

those authorities the agencies benefited from his benign neglect, because the secretary of defense, like the president, has his hands full with so many responsibilities that he can't deal with day-to-day issues. To the extent that there was some authority it was in a former office, that of the assistant secretary for command, control, communications, and intelligence. The heads of those national agencies probably paid about as much attention to that assistant secretary as I do to the president of this university, which isn't saying much. So the change that Joan is describing is one where an individual with not much else to do besides run those agencies has been delegated authority that rested with somebody who didn't pay much attention. Is that going too far?

Dempsey: No, it is definitely true that the national agencies basically flew under the radar screen for the most part. We haven't talked about the DCI [director of central intelligence] in this equation, but the DCI obviously was very important to the secretary of defense in terms of how he made decisions on intelligence issues. Previously the DCI and the secretary of defense got together and resolved issues in the best interests of the entire government. Now you have a lower level individual in the DoD, an under secretary, who is dealing with a different set of motivations and challenges, and he is the interlocutor with the DNI or, more accurately, the deputy DNI [DDNI]. He's coming at the issues from a very different perspective, not necessarily one that looks at what is the best decision on intelligence capabilities, budget issues, or operational issues across the government.

The second thing that happened right after that redelegation of authority was that the president signed an executive order that made the under secretary for intelligence the number-three official in the DoD. Previously the undersecretary for policy had been the number-three person, but in line of succession it is now the under secretary for intelligence, which is pretty extraordinary in my book. I have a hard time squaring the number three-person in the Defense Department being the person with the intelligence portfolio; that's much more of a Kremlin approach to organizational responsibilities. Beyond that, it signaled to everyone in the national security community, both within and outside the Pentagon, that this was a key position. So it gave the under secretary further clout and influence over his domain. These were two very arcane and little-understood bureaucratic events that sent seismic shudders through the intelligence community.

So, through very flawed legislation we have established a DNI who is trying to carve out his role and respond to very serious issues in the intelligence community. The DNI is now dealing with a very different Pentagon hierarchy than his predecessors—the DCIs—dealt with, and doing so largely with no interaction with the secretary of defense, who is the 800-pound gorilla in any conversation about national security. It's a very different environment, and from where I stand it's not a better environment than the one we came from.

Where do we go from here? What is the potential for improvement? I think the DNI understands that he has to do several things, and he is focused on them in the near term. One is that he really has to improve the intelligence analysis capabilities of the U.S. government. What we learned from the run-up to the Iraq war is that our analytic capabilities were very flawed, and the way we used analysis in the government was very flawed. Unfortunately, we focused more on the former and not on the latter. There has not been much of a review of how the analysis was used, which is why I think you're seeing people like Paul Pillar come out with very critical

assessments of how the administration actually used the intelligence that was provided to it.[3] The DNI certainly knows that is in his portfolio, and he is trying to work his way through how to improve those capabilities.

The second thing is the information management responsibility that the president has given to the DNI, and there's now some convoluted title for the program manager for the information sharing environment, which is one of the wackier titles I've heard in the government. That individual, by executive order, has to figure out how to improve information sharing on counterterrorism, and there's a lot of heat and light going into that responsibility right now. A corollary position that is getting a lot of focus on the DNI's staff is the chief information officer, who, once we figure out how to share information better, has the responsibility for executing the architecture that would allow the sharing to take place.

Those are the main focuses that the DNI is bringing to at least the first year of his tenure. But I would submit that while those are very important areas to focus on, because we do have significant problems, they are not going to change the intelligence community fundamentally or get us to a significant redesign of the community and the way it operates. So I'll take this back to where I started: until we have agreement among the stakeholders that we need something more akin to a Goldwater–Nichols approach to reforming and transforming intelligence, I think we're going to be in a business-as-usual mode, slightly modified, for the foreseeable future. It's not a very optimistic assessment of where we are in the U.S. intelligence community, but it is based on a lot of observation and experience.

With that as the introduction, I'll be happy to talk about any of these issues, or anything else you want to bring up related to this or whatever. I warned you.

Bieda: The military services now exchange officers and learn about each other's services. Why hasn't the intelligence community adopted that kind of program just on its own, without a Goldwater–Nichols?

Dempsey: We did. When I was in the DoD we started the Intelligence Community Assignment Program (ICAP). There were a number of pieces to the program. The officers had to do a two-year tour outside your home agency. They had to get joint training, and we established the joint training courses they could take for professional education. There was a third requirement, which I can't remember. It was a structured program. We managed it. Organizations identified joint jobs, people applied for the program, they went through an interview process, they were selected, and they went to the new job for two years. I think it could be extended to three years by mutual agreement. We even got John Deutch, when he was DCI, to dictate that you could not get promoted to the senior executive service unless you had ICAP and ICO—intelligence community officer—designation.

The CIA never really participated in the program. They accepted ICOs, but they did not provide ICOs to other organizations. When George Tenet came in as DCI, the CIA told him "This is not feasible. We can't send people out." It was basically the Navy argument about joint duty

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[3] See, for example, Paul R. Pillar, "Intelligence, Policy, and the War in Iraq," *Foreign Affairs*, **85**, 2, March/April 2006.

officers: “If we send them to some other organization, they’ll never get their nuclear submarine pin, and therefore you have to cancel this.” So George Tenet changed the requirement for promotion and they did not have to be ICOs. The program still exists, but it never had teeth after that, because there was nothing to force people to do it.

I got a lot of feedback from the folks who took part, who said that they really enjoyed the program and learned a lot about the community by virtue of being ICOs. Senator Specter’s staff actually drafted superb legislation on how to reform intelligence that unfortunately never went anywhere, and included a joint duty assignment equivalent based on ICAP and the ICO program.

You’re right: moving people around, and getting that broader perspective, would be very beneficial. It would create what we don’t have today: people who have an understanding of the importance of a community approach as opposed to an agency-specific approach. That’s one of our challenges.

Student: Could you compare your opinion of the failings of the DNI with the failings of DHS [Department of Homeland Security]? Everything you’ve said about the DNI sounds like it could have been said about DHS: the way it was set up in a rush, created a lot of new positions, moved things around, and made things worse.

Dempsey: There are similarities in the way they came about. They are very different in what they did, because the DHS did crash together lots of different organizations and then put a new superstructure on top of it. The intelligence community reform legislation didn’t do anything to the agencies; it just put a new person in charge instead of the DCI, and it separated the position of head of the CIA from that of head of the intelligence community.

Any time you make a significant change organizationally in the government it’s going to take you years really to implement it, and certainly DHS has suffered from that. From my observation, it’s actually gone better than I would have expected, given the magnitude of the change that was effected by the standup of DHS. If they had not had the bad luck of having to deal with Katrina and some of the other storm residue this past year they might have had a chance of really getting their act together before things went south. But they didn’t have good luck, and so they had to deal with the natural disaster problem.

The other thing, though, is that DHS continues to change itself. For example, there was IS-2, Emergency Preparedness, a strategic planning effort that changed a number of the ways they operate in the intelligence and preparedness directorate in DHS, and they’ve already implemented those changes. So they are learning what they need to do to get better, even though, as you rightly state, they were born out of a lot of not very thoughtfully considered ideas.

Oettinger: May I take a moment to put a gloss on your analogy to the Navy’s attitude toward Goldwater–Nichols? It’s true, as far as I can tell, that the Navy was one of the most ardent opponents of the Goldwater–Nichols legislation. It’s hard to resolve motive. One motive could have been simply parochialism, but another could be what we discussed last time, which is the value of specialization. If you don’t have people who understand nuclear submarines, you have a problem running your Navy. So there may have been honest motives.

There may also be some other elements at work, and I'd be interested to hear your reactions to those. One of them is that as late as the first Gulf War, when a Navy ship was in port and hooked up to land communications it was part of the world. The minute the ship got a few yards off dock the crew were as isolated as anybody in Nelson's navy would have been at Trafalgar. So the intelligence craft didn't necessarily have all that much resonance in the Navy. I think that has changed since then with greater integration of the Navy into the global satellite communications system, et cetera. So it's very hard to sort out motivations. The notion of specialization can provide hypocritical cover to anyone, because it is a legitimate point, but it is often abused. It is certainly not clear to me just what the Navy's stance was, and how hypocritical or how genuine the belief was in their need for specialization.

If you go back to the diagrams that Gordon Lederman left us last time,[4] as Joan mentioned, the big guys are the NSA and the imagery people and the satellite people, who are collection oriented. All of the other members of the community are departments with relatively little clout in this game, but also with very different missions. So arguments against integrated information sharing and Goldwater–Nichols-ing what the Treasury Department has to say to the State Department, et cetera, are not illegitimate for the many dwarfs. As for the major agencies and the excuses about collection disciplines and specialization, somebody who is well trained to do intercepts and knows all about electronics is not necessarily the same person who can be a good photo interpreter and worry about what imagery looks like. So, again, it's not easy to sort out whether these arguments represent genuine tensions between folks who have legitimate needs for specialization or whether they are using that as a hypocritical cover for empire building and stovepipe maintenance.

Dempsey: That's exactly right. It's less the agencies themselves that fight the idea of Goldwater–Nichols; in fact, I would argue (although I can't prove this, obviously) that most of the agency leadership, and most of the rank and file, understand the need for dramatic change. Mid-level managers are always the odd group. It's really the stakeholders who feel they have more to lose by dramatic change who fight it: either the overseers in Congress—Armed Services in particular—or the DoD, which knows it has authority over those agencies, and any change in authority or consolidation will likely make them the losers.

The smaller agencies also see the need for change. They're being exhausted by the need to deal with all these different organizations, and life would be so much simpler for them if there were some sort of streamlining and they could skinny down from fifteen agencies they have to interact with to a smaller number. But there is absolutely no appetite in Washington right now for any additional discussion of reform, so I think we're going to be this way for quite some time.

Student: You say that the recent intelligence reform act has only redefined positions and not changed authority, even though it was in response to a massive intelligence crisis in the country, and that we needed more far-reaching intelligence reform. What kind of situation do you foresee bringing that about? Do you think anything in the near future could do it?

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[4] See note 1.

Dempsey: I don't. I don't think crisis is the right stimulus. We have just gone through that. The way Goldwater–Nichols came about was that you had statesmen in Congress working with the private sector—think tanks and a pretty broad coalition of academia and a few enlightened people in the defense sector—who understood that we needed to put the nation on a different course. I don't think we have any of those elements today. Senator Specter gets it, in my experience, but there aren't many like him on the Hill who do. So I don't think we have the same conditions that allowed Goldwater–Nichols.

Believe me, Goldwater–Nichols was really hard. The iron majors in the Pentagon did everything they possibly could to defeat Goldwater–Nichols. There were a lot of accommodations made during the several years that it was debated and worked on by the Congress and the DoD and others.

Oettinger: There's a beautiful book by the Senate staffer who had the longest history of dealing with this, Jim Locher. It came out in the last three or four years. It's a very good, reflective analysis of the whole history; the compromises, the studies, and so on. You can find a couple of sessions of this seminar where Locher came to speak.[5] Archie Barrett, the House staffer, also has a book on this, but it was kind of a prospective tract, not as much of a history of what happened.[6]

Dempsey: I just don't think we have the conditions that would be necessary. It obviously doesn't have to be exactly the way Goldwater–Nichols was managed, because, frankly, Goldwater–Nichols was a pretty big piece of legislation. You'd have to have some number of those conditions today, and really, you'd have to have agreement that we need to make change, which is always the hardest thing to get. I don't see that there's going to be anything in the near term. I hope I'm wrong on that.

Student: How are the personalities of the leaders of these agencies shaping the reforms? For example, to what extent is John Negroponte taking the bull by the horns and operating within the gray area of the budget, either as a power grab or for some other reason? To what extent was Secretary Rumsfeld's decision to delegate authority over those agencies part of his personal circumstances?

Dempsey: I don't know, because I'd already left the government by the time he made that decision. All I can tell you is that given Rumsfeld's relationship with George Tenet—I've heard him say this many times—he would not do anything that the DCI objected to. Early in his tenure his staff proposed transferring direction, control, and authority for the national intelligence agencies to the under secretary for intelligence. My staff wrote a letter to the secretary of defense,

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[5] James R. Locher III, *Victory on the Potomac: The Goldwater-Nichols Act Unifies the Pentagon* (College Station, TX: Texas A&M University Press, 2002). See also James R. Locher III, "Defense Reorganization: A View from the Senate," in *Seminar onCommand, Control, Communicatons, and Intelligence, Guest Presentations, Spring 1987* (Cambridge, Mass: Harvard University Program on Information Resources Policy, I-88-1, May 2004), [On-line]. URL: http://www.pirp.harvard.edu/publications/locher/locher-i88-1.pdf ; and "Special Opearations and Low Intensity Cnflict: A Congressional Perspective," in *Seminar onCommand, Control, Communicatons, and Intelligence, Guest Presentations, Spring 1988* (Cambridge, Mass: Harvard University Program on Information Resources Policy, I-89-1, May 2004), [On-line]. URL: http://www.pirp.harvard.edu/publications/locher/locher-i89-1.pdf

[6] Archie Barrett, *Reappraising Defense Organization* (Washington, D.C.: NDU Press, 1983).

which the DCI signed, that laid out the rationale for why that would not be a good thing for the nation, and Rumsfeld did not delegate that authority. I think he's a man of his word. Had the DNI or the DDNI gone to him and said "Don't do this" I don't think he would have done it, but it all occurred during the standup of the DNI's office, and nature abhors a vacuum. Any time people take their eye off the ball, or they're not in place, or whatever, is a good time to get controversial things done, and I think it was more along those lines. Anyway, it is done.

There are people who are critical of various staffs in Washington and say, "Yes, but they really can't capitalize on it," but I keep reminding them that there are at least two players in this band: one is the staff of the Office of the Secretary of Defense, and the other is the agencies themselves. They know whom they work for, and they do things on the basis of whom they work for that have an effect on outcomes. That's the situation we're in today. The agencies know they work for the under secretary for intelligence and as a result of that many things will never reach the DNI's level. The issues will be decided and results will occur without the DNI's ever having visibility into them. I argue that these are pretty profound changes for which people don't have a great deal of understanding.

Student: We've often said about the military that they're sort of meeting the goals that were important fifteen years ago. Is that the case in the intelligence community? Maybe it's not quite so far behind, but is it meeting the demands of perhaps five years ago?

Dempsey: Usually we're fighting the last war. We correct and improve things on the basis of what went wrong in the last war, even though maybe we should be doing something different today and we're not going to have those conditions again.

I think that the men and women of the intelligence community understand what they need to do to protect the nation, and they try desperately to do it even though the contrivances and conventions under which they live aren't maximized to help them. They understand what is expected of them, and they spin a lot of wheels trying to deliver on what is expected of them, but in my opinion they just don't have the capabilities surrounding them that really allow them to succeed.

Each agency is responsible for meeting its mission. No agency is responsible for enabling any other agencies to meet their missions. So if you collect information and your responsibility is to protect the source of that information, even if it means you don't share that information with some other agency that needs it to do its job, that's too bad. You're only going to be held responsible for protecting that information, not for somebody else's mission. It's a critical problem inside the intelligence community, and it's something that the DoD dealt with by making jointness more important than specific service missions.

Oettinger: That reflects itself, I think, in some aspects of the intelligence community. In spite of what Joan is describing, which I think is a very accurate picture—at least, it coincides with many things that I see—you might ask how come it works at all. I think one of the reasons is what Joan just articulated: that the men and women in the intelligence community often disregard all the nonsense that happens in these legislative actions. It's not that they disobey the law; it's just that they know each other, they make phone calls, and they collaborate when necessary even though the imperatives at higher levels, with budgets and so on, may be otherwise.

There's also kind of an inverse square law operating, which is that the farther you are from the center of Washington the more likely you are to collaborate. If you visit some of the Joint Intelligence Centers abroad you find people from all sorts of agencies, and in some instances from all sorts of countries, working together shoulder to shoulder without any of this Washington garbage. I remind myself of that occasionally when I get a little depressed about the state of affairs. In spite of the organization charts and the limitations, people manage to get the job done.

Dempsey: That's absolutely true. They operate heroically under less than ideal circumstances. I think the focus on information sharing is exactly right. If they don't have access to all the information, they can operate as heroically as they want, but they're still going to fail. So we've got to fix the information sharing problem, and fixing it will actually go a long way toward improving the abilities of the community.

Student: You said earlier there will be many situations where things only go to the under secretary and don't reach the DNI because the agencies report to the under secretary. Could you give a specific example, either hypothetical or real, of something that might not make it up that should make it up?

Dempsey: I can't give you a specific example, because I've been out of the government since the change took place. Lots of issues went to the secretary of defense and the DCI that now would never have the chance to get there unless somebody really wanted to go outside of the chain of command to raise an issue with the DNI. Hypothetically, it could be redirecting a space asset. There are competing priorities for some of our collection capabilities, and you want to figure out which priority takes precedence. You may have to make a decision to move an asset, which is very expensive to do, and every time you do that you lose something else. That decision used to be made at the secretary of defense/DCI level. It now potentially will be made at a lower level by somebody who doesn't have the same breadth of focus or responsibility as the secretary of defense. That's hypothetical, and I am definitely not ascribing venal characteristics to lesser mortals than the secretary of defense, but it's not unreasonable to expect the under secretary to be more focused on DoD requirements than on State Department requirements, for example.

I think a whole range of potential issues will not get attention at the secretary of defense/DNI level. Many of them are much more arcane than moving collection assets. There are lots of issues related to personnel systems, for example, and how the intelligence agencies operate. If they're brought under the DoD personnel system it's going to have implications for the kind of people whom we hire and fire, how we educate and promote them, and all sorts of things. Over time, those have big implications for what those organizations look like, and yet they may never get surfaced to the DNI.

Bieda: Instead of saying that jointness between intelligence officers will happen by moving them among the intelligence agencies, what do you think about a program that takes intelligence officers and puts them in operational jobs? There are a few examples, such as General Hayden at the NSA and senior leaders in the intelligence community who have had operational positions. They've been taken out of the intelligence community for X number of years and have had to run operations and depend on intelligence for those operations. Do you think a program like that might make a difference in changing attitudes by having them look at intelligence from the

tactical level? From what I've seen of that, a lot of times the intelligence officers are behind the door and only come out to give their briefings, or you have to go in and see them. They are not active participants in the planning process all the time, for good reason.

Dempsey: All the services do it differently. You find less of that isolationism in the Army. Navy intelligence officers are more integrated with the operations officers. It could certainly work to have more intelligence officers in operational positions, although I will tell you that we have a lot of operational officers in intelligence positions and that doesn't always work really well. I think what we need is to have the key leaders of all sub-specialties involved, and then I hope we won't have the issue.

Bieda: I think one of the best examples I've seen of intelligence officers working together with operations was in the White House Situation Room. Those are teams from various agencies that are really running an operation, which is keeping the president and his staff briefed on what's going on in the world.

Dempsey: Interestingly, just to pick up on that thought but take it in a different direction, of the five English-speaking democracies I believe we are the only one that doesn't routinely rotate career civil servants from other areas into intelligence positions. The Australians, the Brits, and the Canadians take foreign service officers and move them in to head up their intelligence organizations, and vice versa. For example, the current Australian ambassador to the United States, Dennis Richardson, is a foreign service officer who ran the domestic intelligence organization in Australia before he came over to be ambassador. So that's a slightly different twist, but it's the same kind of thing.

I actually think that would be more important, because at least in the military intelligence and ops officers do work together. They know each other, they train together, they go to the same schools. In the rest of the national security community, on the civilian side, there is almost no interaction other than the occasional briefing here or there. So to me it would be much more interesting to have that sort of in and out with the rest of the national security community.

Student: If interagency information sharing is tough in the United States, how well does it work with the intelligence agencies abroad?

Dempsey: It's a huge problem. We don't share information within our own government, so the idea that we share even with coalition members is really hard. It works pretty well at the Secret level, thanks to the DoD. Above the Secret level it gets much harder. We do have very good sharing relationships with other countries, but they're difficult to develop, oversee, and implement. It's usually done on a point-by-point basis. Each agency will go to its counterpart and negotiate sharing agreements, which from my perspective means we don't get the full benefit of that kind of approach. If we took a community approach to sharing I think both we and our international partners would benefit a lot more. That goes back, again, to the fact that each agency is responsible for its own mission; it's not responsible for working across the other agencies to develop a joint or integrated view of the world.

Student: You said earlier that the intelligence community isn't capable of performing the functions it now has. Would you support giving the intelligence community more power on policy?

Dempsey: No. I see intelligence in a democratic society as a function that needs a great deal of oversight, and I believe that oversight is best accomplished by whatever administration is in power and by Congress. However, because it is an arcane business, you need a lot of input from the intelligence community on how policies are developed. I don't know if that answers your question, but I do see a need for a certain separation between the policy community and the intelligence community: separation from the standpoint that intelligence is a function that is inherently destabilizing if you don't manage it well, and so there has to be a good healthy distance between policy and intelligence. Then you also have to be able to understand and support policy, which means that you've got to be nestled up pretty close to it. It's a difficult function to perform well. I'm not sure I completely understood the policy angle you were aiming at.

Student: What I'm aiming at is that it seems that it was an inherent weakness in the legislation that the people who drafted it didn't fully understand the intelligence community and the functions it had, and so the intelligence community had to operate outside legislative oversight to get the job done. Is the problem in the legislation and not in the intelligence community? Would providing some of the people in the intelligence community with more education and more hands-on knowledge, or putting some of the legislators in the intelligence community and giving them more experience in that sphere, solve the problem?

Dempsey: There are several issues. One is that there's been a trend toward the intelligence committees in Congress becoming much more politicized over the last few years. They are frequently playing to an audience in the same way that other committees have always played to an audience: their constituencies. The intelligence committee members never had an intelligence constituency other than the intelligence community, but as the country has become more concerned about homeland security in particular, and also the war in Iraq, the intelligence function has become a hot commodity. If you're on the intelligence committee you've now got a bully platform from which to make your case and get a lot of attention and notoriety. I think we've seen a lot more politicization of intelligence as a result.

It's also true that the legislators can't spend a lot of time on intelligence issues. They have very large staffs who do spend a lot of time on intelligence issues but, again, from a much more partisan approach. I think you're seeing that in terms of how they oversee intelligence activities. This is a very big change from fifteen years ago, when the intelligence committees were largely nonpartisan. They really worked across partisan lines very well.

Student: Regarding politicization of intelligence and the events around General Scowcroft's departure from the PFIAB, if there is pressure to agree publicly with the king, as you put it over lunch, does that pressure exist privately?

Dempsey: I didn't say there was pressure to agree; I said there's an expectation that if you're working for the king you're going to support the king's policies, or you don't support the king's

policies and don't work for the king. That would be the king's expectation, certainly. So I don't think that is necessarily pressure; it's just the way things work.

Oettinger: I think this is true in all the professions. On the one hand, if you're a professor or a doctor or an intelligence analyst, you have an obligation to tell your client as honestly and as carefully as you can what you think the truth is, whether that agrees with the client's expectations or not. You don't want your doctor to humor you and tell you that you're well if you have some disease and need to have it treated. That's different from a professor or a doctor or an intelligence officer going public and expressing disagreement, or telling the world about your lousy grade, your terrible sexually transmitted disease, or your differing views on policy regarding Iraq. You owe the client the truth privately, but you also have some obligation to keep your mouth shut publicly. If you feel so strongly about your views you resign or you get fired.

Student: You said earlier that you felt that when the number of agencies gets below fifteen intelligence sharing might get easier. At what point do you think it actually makes a significant difference? Is there a number? Moreover, presumably these fifteen agencies have a stake in their own existence. How do you propose to go about changing that view of the process so that people would be willing to sacrifice their own agency's interests to make the intelligence sharing process more effective?

Dempsey: I'm not sure there's a magic number in terms of how many agencies we need. There are any number of ways that you could restructure the intelligence community to make it more effective and certainly to make it more efficient. One way would be to consolidate the collection elements. You could either consolidate just the technical collection agencies, which are the really big ones, or you could consolidate technical collection with human source intelligence so that you have all the collectors in one organization.

One of the things that I tried to do—unsuccessfully—was drive together the data collected by all the technical collectors before it actually got to the individual who was going to be responsible for analyzing the data. The idea was that they wouldn't get individual reports from human source intelligence, imagery intelligence, signals intelligence, or whatever; they would get a report that included all of the information already combined. But we could never do that, because the collectors own the processes by which their information is put into a form for humans to use and understand. To me, just combining the big technical collection agencies would provide the opportunity for enormous improvement in the way people actually have to consume information.

Oettinger: It's one of those things that is two sided. It implies having standards for linking the different pieces of data, and that implies agreement on what those standards should be. There are always legitimate disagreements, because folks are at different stages of progress and have different ideas of what is a good way to deal with the information technically. Again, it's one of those areas where the good intentions and the legitimate technical concerns can get perverted into becoming hypocritical weapons for isolationism.

In one of my earliest tasks I got involved with a committee of what was then the U.S. Intelligence Board, which was an interagency body trying to set data standards for eighty-column punched cards (you see how long ago this was; it was in prehistoric times). For two years I

watched that committee wrestle over whose data would go into which column. I persuaded myself by the end that this was purely a political exercise, where the technical people were using ploys to prevent their agencies from getting pulled together, under the guise of legitimate technical disagreements over whether it should go in column ten rather than column eleven of a punch card. I've been cynical about that ever since, but still there is a legitimate aspect, in that glomming data together is not an easy technical exercise.

Dempsey: It isn't easy, but in this case I am absolutely convinced that it is purely a data ownership issue, and here's why. We have the example of the NGA, which for the most part exploits imagery but also does geospatial analysis, working with the NSA, which exploits signals intelligence. They have brought their product lines and their data together in a way that increases exponentially the value and benefit of their two data streams in terms of the information available to an analyst. There is absolutely no reason why we couldn't do that on a much broader scale.

You can choose whatever number you want that has been bandied about in public about how many people are doing intelligence in this country. It's a lot, but 99 percent of them are on the collection and data processing end, and 1 percent are on the "add value through analysis and get information to a customer" end. That is just flat wrong! They're being swamped by data. If we don't figure out a way to manage the data so we get information to them as opposed to a lot of stuff that they have to sort through and deal with on the pointy end of the spear, then shame on us when the next crisis or catastrophe occurs. It's not going to be the analyst's fault.

Student: The *Baltimore Sun* had a detailed article about something called Trailblazer, which is a several-hundred-million-dollar software project to deal with this problem just within NSA, so that information coming in doesn't get lost.[7] Apparently it's largely a diagram on somebody's wall; nothing actually works, and it's unlikely ever to work. If the government can't manage large-scale software projects like Trailblazer, or the FBI's [Federal Bureau of Investigation's] case management system, or the Internal Revenue Service upgrade, and if doing these large-scale projects is vital to the information sharing you've just described, what is the likely solution? Certainly it's even harder in the intelligence agencies, because there is no public overview.

Dempsey: Let me put a disclaimer out before I answer your question: I don't regard the *Baltimore Sun* as an authoritative source on Trailblazer. But it is unquestionably true that data management is a very complicated business. I can't speak to Trailblazer, and whether or not it's as bad as the *Sun* article says or why, if it is. But my experience has been that the government doesn't understand how to acquire the capabilities it needs in the information management sphere. We don't really have people who understand systems engineering and integration, and we can't translate our requirements for information in a certain format to contractors or to an industry that knows how to deliver what that translation piece is missing. So we seem to struggle repeatedly over how to make that marriage. The larger the program, the more likely it is not to succeed.

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[7] Siobhan Gorman, "System Error," *The Baltimore Sun*, 29 January 2006, [On-line]. URL: http://www.baltimoresun.com/news/custom/attack/bal-te.trailblazer29jan29,1,1444424.story?ctrack=1&cset=true (Accessed on 19 March 2006.)

Oettinger: May I add something to that? I think the government—the intelligence agencies in particular—has a much harder problem than private industry, and this is one of the reasons why less is accomplished. In most industries, at least for their operating data, it's a synthesis question. It's a matter of doing what you want to do. You define the transactions. If you're a credit card company or a bank, you control the data fields. You control what information about your customers you want to have. You control your marketing moves. You put your design together. You're God with regard to the data processing. Most private sector data processing is transaction oriented, and the management is godlike.

That is not true universally. Companies in the drug business, or organizations performing any kind of research, face a problem much like the one faced by the intelligence community. They've got to deal with data that are out there in the world. An oil company doing drilling has to get real cores and deal with sloppy stuff in the field, as opposed to playing a game against nature or against an enemy. That is what the research people in industry and the intelligence community are involved in. They have no control over the slop that they have to collect. That means that the technical problems of organizing this stuff in a manner that makes it exploitable, as opposed to just simply storing it away, are much more complicated. If you're in the banking business and want to look up an account number or someone's address you know where to find it. In signals intelligence or imagery intelligence, what is a datum? I have a blob. I have a screech. What does that mean? What is it? How do I store it? How do I deal with it? Those are difficult questions that do not arise in the private sector. So the communication problem between the government and contractors is often a very deep one, because they're dealing with different worlds.

Dempsey: I think that's right, although I think Trailblazer was the NSA's internal information management system as well, so it focused more on managing the data that they controlled as opposed to external data.

Oettinger: Screwing that up is inexcusable!

Dempsey: I've seen this work badly both ways. I've seen situations where we essentially have intelligence officers trying to design and oversee information systems that they're really not competent to design and oversee. I've also seen technical people try to design systems in response to intelligence requirements that they didn't understand, and didn't know how people were going to use the information, and that approach fails too. Somewhere in between those two extremes there's Nirvana…well, no, there's not. I guess it happens everywhere, then.

It's not just information management. We're having the same problem with space systems. We've got huge failures in the space industry in trying next-generation systems. They're over budget and dramatically beyond their timelines, so, frankly, we have a crisis in the way we acquire capabilities across the board, and I don't know what the solution is.

Student: I would suggest that one reason we're having a crisis is that the government used to be the lead purchaser of technology and was designing the very latest state-of-the-art technology. Over the past few decades the size of the technology market has moved entirely toward the commercial side. The cost of developing government systems has more or less remained the same, but in relation to the cost of the commercial systems it's much higher, because the commercial base is much larger than the government base. What commercial systems are

supposed to do diverges dramatically from what government systems are supposed to do, whereas they used to be much more closely aligned.

Dempsey: In the 1950s, I think that something like 85 percent of all information technology was funded by the DoD. Today they make almost no investment in information technology. They buy and apply.

Student: Their reaction has been to use commercial off-the-shelf [COTS] information technology. That was probably a mistake for intelligence, because COTS technology is just not designed with the intelligence community in mind.

Dempsey: Some of it is very good, and we do modify some of it, and we do develop some of our own, although of course a lot less than we used to.

Oettinger: But is that altogether a bad thing in light of the changing nature of what is required? Going back to Joan's original comments about the shift from the monolithic target to the situation where one gas station among many is Russian owned, the demands on intelligence are quite different today from what they were during the cold war, and may be best met by increasing the investment in human intelligence, both clandestine and open source. My own thoughts on this should be clear to you from my having exposed you to Darryl Williams and his doings,[8] which involve establishing networks among people who know something and extracting that knowledge by a variety of different means rather than relying solely on one's own home-grown data processing prowess. I think that for the future we need to shift the relationship between what is desired by way of knowledge and the tools for getting it. Again, we don't want to fight the last war on that.

Dempsey: You raise a very good point. Somebody asked how many organizations we need. Rather than mandate an absolute number of organizations, I would turn the system upside down. We built up these enormous technical collection organizations because we had a very large denied area problem: the Soviet Union. We needed satellites over the Soviet Union; we needed to collect all of this information, which required standing armies of people to exploit that information and get it out to a small number of analysts who knew their target and dealt with every aspect of that one target for decades. That target was the mirror image of the United States. It was our evil twin. The Soviets looked just like us. They operated just like us. They studied us. We studied them. It was great! Don't you miss them?

Oettinger: Most of their stuff was spread along the Trans-Siberian railway, for obvious geopolitical reasons. The haystack was limited.

Dempsey: Today we're in such a different world. We still have, largely, the cold war organizations and structure and allocation of resources, yet what we really need are many more analysts to take information not just from intelligence sources, but from all sources, and try to

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[8] Darryl Williams, "Combating Global Terrorism: Bringing All Elements of National Power to Bear," in *Seminar on Intelligence, Command, and Control, Guest Presentations, Spring 2006* (Cambridge, Mass: Harvard University Program on Information Resources Policy, I-06-1, in press).

understand the relevance of that information in the context of U.S. foreign policy and security policy strategy. But we're not on that track.

Bieda: That's a perfect segue into a question I wanted to ask. In my research I'm looking at intelligence from citizens and private industry, and I'm finding offices of state intelligence have been established. Florida has an office of state intelligence, New Jersey has an office of counterterrorism, Colorado has an Information Sharing and Analysis Center. Information Sharing and Analysis Centers are being created under some programs that DHS is involved in. We're going to produce the same problem right now with domestic intelligence unless we get a handle on how we create that whole process.

I guess the underlying issue that I want to get your opinion on is that Britain has MI5. We have no equivalent, except for what exists in the FBI. What's going to happen now with all these small intelligence agencies being created all over the country? How are they going to share that information? The terrorists who did 9/11 lived here for a year, so a lot of the intelligence we could have collected on them was right here. How do we get a handle on that?

Dempsey: I have limited insight into most of the state and local intelligence elements, but the ones that I do have insight into I actually think are doing it right. They are taking local information and what they can mine from all kinds of sources beyond their local reach and using it to provide situational awareness to people who have a responsibility to protect the citizenry.

When I say they are doing it right I mean that they are focused on the right issues and they're bringing all the information they can get from all sources to bear, but at the moment they don't have all the information they need. However, one of my complaints about them is that they see themselves only as receivers of information from the national level, for example, as opposed to an element that feeds information back upstream. I was on a panel at a conference last year with a police chief from a mid-sized city, and he kept making a plea: "Just send me more information. Tell me what you know about my area. I can act on it." Finally I got a little fed up and I said, "How often do you send information upstream?" He said, "I don't ever send information upstream. That's not my job."

So you're right that we're creating the same problem in that respect. If you're talking about the border area in the Southwest, they're concerned about their area. They're not so much concerned about what's going on in Maine or New Hampshire. What happens in the military and elsewhere, for example, is that no matter where you happen to be you want to know what is going on all over the world all the time, just in case it ever affects you, and that has caused us to be very inefficient and develop capabilities in places where we didn't need them. That's a different problem.

As to your other point about domestic intelligence, again, among the five English-speaking democracies, we're the only one that doesn't have a domestic security service apart from our law enforcement service, the FBI. People always say that it's a civil liberties issue, but from a civil liberties standpoint I would much prefer to have a separate domestic security service that does not have the ability to arrest me than to have an FBI that can both collect against me and arrest me. My civil liberties are much better protected with the separation.

Oettinger: There's a coziness between MI5 and the constabulary that in an American context one could imagine could be exploited. Nothing is perfect.

Student: The Massachusetts branch of the American Civil Liberties Union is very upset about the fusion center that Governor [Mitt] Romney is setting up. They feel that it does illegal collection on Massachusetts citizens, it's inappropriate use of information, and it's directly feeding into law enforcement without the patina of counterterrorism. The center is primarily interested in doing drug interdiction and most uses of drugs do not have an impact on national security. There's a lot of objection to these local intelligence offices.

Bieda: One of the things I look at in the paper that I've written is Agent Williams writing the Phoenix memo.[9] He was doing his investigation and he still couldn't query and find out that there was an abnormality going on with students at a flight school over in another state, and find some abnormalities somewhere else that were very similar to the one he was looking at. He still wouldn't know that. The next Phoenix memo is just going to say that this small thing is happening here, but not anywhere else, and it's not going to raise anybody's eyebrows. It's going to hit some desk in some analysis center and it's not going to go anywhere. We don't have that data, and we don't have a plan or any system I can find that's headed toward getting that data together and being able to fuse it with other sources of written intelligence that we haven't gotten our hands on.

Student: It seems to me that the DNI is largely just a budgetary clearinghouse for the intelligence community. What would the feasibility be of just trying to fuse all of our collection capabilities and either having agencies divided along electronic signals lines or things like that or having just one collection clearinghouse?

Dempsey: We talked about that a little bit in response to the earlier question about how many agencies we should have. I said that one way to approach it is to put all of the technical collectors into one organization so that perhaps we would achieve economies of scale. It would be a pretty darn' big organization, but it also might be able to start managing data differently in the exploitation process to make it easier for people on the far end who actually have to take all of that information and put it in context and make judgments based on it. I think there is merit in looking at that idea, but to my knowledge no one is doing it. There is no real appetite at the moment for continuing this way.

Let me go back to something you said about the DNI. I want to have candid conversations when I talk with groups like this, but I don't want you to think that I am saying that these people are not working hard or are not seriously trying to make improvements. They are. That extends to people in the DoD, too. Everyone wants the system to operate optimally. There is just no common agreement on what "optimally" means or how we get to an optimal system.

Oettinger: Where you stand depends on where you sit.

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[9] On 20 July FBI agent Kenneth Williams wrote a memorandum to his superiors warning that a cadre of Osama bin Laden disciples might be training at U.S. flight schools in preparation for future "terror activity against civil aviation targets." The text of the message is available on-line at http://www.thesmokinggun.com/archive/0412042phoenix1.html (Accessed on 19 March 2006.)

Dempsey: It's not that these people are trying to do something for their own organization at the expense of others: they're simply trying to make their own organization as good as it can be or to help it support its customers as best it can. There just aren't enough people who can step back and say "Wait a minute. What does the nation need out of intelligence, whether it's foreign intelligence, domestic intelligence, or whatever, within the proper legal and policy oversight and constraints?"

Oettinger: This is a lot like what happens in a university, because the way up in the hierarchy is by specialization in a department, or a school, and by the time you reach a certain maturity you are no longer capable, perhaps, of integrating. There aren't that many integrator jobs for entry-level people. So it's not an easy problem to address, because to make a career as a generalist is something that is granted to only relatively few people, and it has its pitfalls. It's a hard problem to have an organization where there are people who are capable of doing the day-to-day specialized tasks as well as enough people with a cross-cutting overview to be able to shape and mold the organization so it can adapt itself. Sometimes they pay a hard price for trying to do that; witness our maximum leader here.[10]

Student: You've painted a rosy picture of friendly agencies working toward being optimal…

Dempsey: I've never been accused of painting a rosy picture on any subject, but go ahead! I'll see where you're going with this.

Student: My impression from afar, with much less insider insight, is of warring factions that are not just trying to further their own interests, but also trying to get one up on another agency. The 9/11 Commission talked about the intelligence sharing issue. Is there not a cultural problem within the intelligence community that needs to be addressed?

Dempsey: I think there is a lot less of a cultural problem than there used to be. I'm not saying there isn't one. But 9/11 was pretty devastating for the intelligence community too, and nobody in intelligence wants to see a repeat of that, so a lot of the institutional gamesmanship and one-upping went away. That doesn't mean that it won't re-emerge, but I think the community wants leadership, and it wants to see improvement in the things that don't work very well. Again, the agencies are held responsible for what they do to support their mission, not what they do to support the intelligence community. You're always going to have that tension when you're responsible for something that is different from the expectations of what you're going to do. I don't know how you get around that, and we did not do it in the intelligence reform legislation.

Oettinger: Joan is giving you repeated concrete instances of the abstract point that I made in my paper that I asked you to read for the first session,[11] which is that these are balancing acts. There are inherent tensions. These people are not rogues. They're not at each other's throats. They are trying to do their best. They're doing it in a system that encourages suboptimization to local

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[10] Lawrence Summers had announced his resignation as president of Harvard two days previously.

[11] Anthony G. Oettinger, *Whence and Whither Intelligence, Command and Control? The Certainty of Uncertainty* (Cambridge, Mass: Harvard University Program on Information Resources Policy, 1990), [On-line]. URL: http://www.deas.harvard.edu/courses/ge157/oetting-p90-1.pdf

conditions, where the incentives are lacking for wider optimization. It's hard to provide those incentives, not only because of resistance from those who benefit from the status quo, but also because the trade-offs and tensions involved make it an inherently hard problem, so you can screw things up worse than they were before.

By the way, when Joan talks about the intelligence community having felt 9/11 directly, it's not only in the sense of not having foreseen it. A substantial number of the people who were killed in the Pentagon were DIA staff, so it was very much a family matter.

Dempsey: It wiped out the whole naval intelligence organization.

Student: I understand the healthy tension between the missions of the different agencies, but even if they're not rogues and they're not at each other's throats my impression was that DIA, CIA, and FBI analysts were at each other's throats and that we addressed the structural problem with intelligence reform without addressing the cultural problem of personal relationships between agencies.

Dempsey: I think they was much more of an adversarial relationship before 9/11 than there is today. It really was a seminal moment, and I would argue that we did not address the structural issues in the intelligence reform act. We didn't address many issues at all. We created more positions, and we laid out expectations, but largely without providing the wherewithal to meet the expectations. It was a nuanced change. It wasn't the kind of sweeping change that would have allowed for real community optimization, as Tony has eloquently described. I think additional change is absolutely required, but I don't see it coming in the near term.

Student: In relation to the earlier questions about consolidating the collection agencies, would it be possible to do that and still satisfy the military as the intelligence consumer? If you formed an agency that large it would be difficult to justify keeping it inside the DoD. Would the political implications of moving it outside the DoD, whether or not those agencies would stay at the operational behest of the military, change the dynamic at all?

Dempsey: I don't think the size would make it a problem to keep it in the DoD. It's a big department. I actually believe you could, if not ultimately downsize, perhaps redirect people who are doing a lot of care and feeding and maintenance kinds of things into more mission-oriented tasks if, again, you had the economy of scale.

I'd have to think about your second point about how the agencies would or would not support the DoD. They're in the DoD today, and they're all combat support agencies by law, so their first order of business is always to provide combat support. Presumably, if you consolidated them somehow it would still be their first order of business. I'm not sure that would be an issue.

Both Mike Hayden and Jim Clapper[12] have advocated that NSA and NGA should become part of the DNI's operation. Again, if you leave them as combat support agencies, I don't think it

[12] General Michael V. Hayden, USAF, is currently the deputy DNI, and previously served as director of NSA; Lt. General James Clapper, USAF, heads the NGA.

would be likely that they would lose that focus on defense. Anything's possible, but I would not be overly concerned about that.

Student: The latest intelligence reform obviously didn't create any structural rearrangement to change the incentives of the intelligence community. Because you mentioned that crisis is not necessarily the best impetus for reform, I wondered if you thought it would be possible for a consulting firm such as Booz Allen, or for the academic community, to look at reforming the intelligence community. Would that be an appropriate mechanism to forecast or look at how it could be rearranged over the long term?

Dempsey: My colleagues keep reminding me that Booz Allen is not a not-for-profit organization, so presumably there would have to be a customer somewhere in that mix. We make a lot of internal investment in looking at issues. One of the things that I am doing—and I went to my fellow vice presidents who control the money and got investment dollars to do this—is studying the implications of the many decisions that are being made on a daily basis right now all over the intelligence community and the departments in which pieces of the community reside, to include the DNI's staff. No one has thought through the implications of those decisions in a strategic or aggregate sense for the future.

There's a flurry of things going on. I mentioned two in the DoD: the executive order that reassigned the under secretary for intelligence as the number three and the direction, control, and authority. The DNI's staff is putting out dictates daily on things that it wants the community to do. We're looking at all of these seemingly unrelated actions and trying to forecast what they mean for the intelligence community of the future—what it's going to look like, how it's going to operate—along a trend line. They're doing all of these things, so they could go in a couple of different directions. That's not the same thing as reform; in fact, it's kind of the reverse of reform, but you have to get a handle on what's happening and what it means for the future if you're going to know what to reform at this point. The DNI's office and the kinds of relationships that are forming around the DNI are so new that I think that's a necessary first condition.

Oettinger: I'm delighted to hear you're doing this. For you government and economics majors, the newspapers and the laity tend to think of legislation or executive order as the end of a process. It's usually the beginning, because most of the time nobody knows what the hell it means and where it's going to go. If it's a law, a statute, the way it manifests itself is often in years of litigation. Until that litigation has taken place, and eventually the Supreme Court has spoken and the second time it comes up in the Supreme Court there's a consistent ruling, you haven't ended the process; you've only begun it. Therefore, I couldn't agree more as to the importance of looking at these orders and policy statements and so on. It may give an insight into what consequences were intended, and, more important, perhaps a guess at the unintended consequences. The hurried staffs who drafted both the bills and the policy statements wouldn't have dreamed of them, because they were under pressure to meet some deadline and pulled stuff out of commission reports and their own heads and what the committee members said, et cetera. An analytic approach to "What have we done and where does it lead us?" is not an oxymoronic thing to do at all.

Dempsey: I also sold it to get the investment money by arguing that we will be positioned to know how to direct our capabilities toward that community of the future if we have a better understanding of where it's likely to go. But my primary motive was the lesson I learned from what I refer to as the witch hunts of the 1970s, where you had the Pike and Church Commissions looking at all of the excesses—and they were excesses—of the intelligence community at the time. What came out of that in terms of the separation between law enforcement (meaning domestic intelligence) and foreign intelligence is one of the primary reasons we had no dots connected before 9/11. The law of unintended consequences is really a very serious issue when you're making law and don't understand what is going to come out of that in all of its manifestations. I'm trying to apply that principle to looking at the intelligence community and what all of these new contrivances and activities mean for the future, so that in two years we don't find ourselves back we were when we tried to fix one problem and only created another one.

Oettinger: We owe Joan tremendous thanks. Nobody else this semester will have the authoritativeness that she brings to this from having lived in a variety of jobs and agencies, and having been the deputy director of central intelligence for community management, with the responsibility for integrating this at a time when there was even less authority than there is now. So the understanding she brings to the limitations of what we've done and what needs to be done is a rare insight.

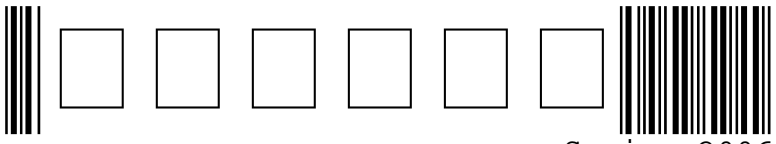
Student: Could you talk a little bit about what Booz Allen does?

Dempsey: Booz Allen is an international consulting firm. We have offices all over the world. The largest part of our business is supporting the national security community inside the United States: DoD, the intelligence community, everybody that I've basically maligned here today. (I hope they will not read the minutes of this meeting.) We really run the gamut of capabilities, from organizational change management to risk management to intelligence and defense work. We have a phenomenal work force, and we hire people all over the world, so those of you in the United States, or those of you going home to other countries, keep Booz Allen in mind. I've spent twenty-five years in the government, and wasn't sure exactly what to expect when I left the government and went to work in industry, and I will tell you that it has exceeded my wildest aspirations in terms of being just a phenomenal place to work. I'm delighted to be affiliated with Booz Allen, so thanks for asking that. Your check will be in the hallway.

Tony, thank you for letting me come visit. I always enjoy talking to your class.

Acronyms

CIA	Central Intelligence Agency
DCI	director of central intelligence
DDNI	deputy director of national intelligence
DHS	Department of Homeland Security
DIA	Defense Intelligence Agency
DNI	director of national intelligence
DoD	Department of Defense
FBI	Federal Bureau of Investigation
ICAP	Intelligence Community Assignment Program
ICO	intelligence community officer
NGA	National Geospatial-Intelligence Agency
NSA	National Security Agency
PFIAB	Presient’s Foreign Intelligence Advisory Board
STRATCOM	U.S. Strategic Command



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