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Congress and the Intelligence Community: Oversight and Reorganization Plans
Mark M. Lowenthal

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Congress and the Intelligence Community: Oversight and Reorganization Plans

Mark M. Lowenthal

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Oettinger: Our speaker today, as usual, needs no introduction. You have seen his biography, but in case you missed it, he has a number of unique claims to fame. One is, he is a grand champion of *Jeopardy*. We haven't had one of those here before. He is also a Harvard Ph.D., vintage 1975, so we're delighted to welcome him back to his alma mater. Far more important than any of those, it is 10 years to the day almost since he last spoke to this seminar, so this is a return engagement. At that time he spoke to us about "The Quest for 'Good' Intelligence;" I will circulate that around in case anybody wants to see what his words were 10 years ago, and that may perhaps lead to some interesting questions.

As I mentioned a moment ago, he has a Harvard Ph.D., which means that he was imbued with some scholarly things and, *mirabile dictu*, over the years he kept on writing professionally. He was with the Congressional Research Service and so on, and produced a wonderful bibliography, which will be very useful for many of you for term papers. I will circulate the Lowenthal bibliography. These items are all available in the Harvard Library. So in addition to his own words today, you have him on record throughout all of the Harvard libraries.

He is, as you know, currently the staff director of the House Permanent Select Committee on Intelligence, and he'll talk to us about whatever the hell he wants to talk about. He has indicated a desire to break things into two parts. He'll talk for about 20 minutes or so on part one, take questions, and then move on to part two again for 20 or so uninterrupted minutes to get a few thoughts out. Okay, it's all yours, Mark.

Lowenthal: Thank you, Tony, and thank you all for coming. One caveat, or as Al Haig would say, "Let me caveat this," which is both bad Latin and bad English all at the same time: I'm here on my own. I'm not officially representing the Committee. These are my views, except when I'm discussing things that are in front of the Committee, and then it will be clear that it's official Committee work. It's like the Yogi Berra line: "A lot of those things I said, I didn't say them."

I want to talk about two different things. I want to talk first about congressional oversight and congressional oversight of intelligence. For those who were at lunch, spare me, but it's going to be just like *déjà vu* all over again*—in part. In the

* Another immortal line from Yogi Berra.

second part, I'm going to discuss issues facing the intelligence community: the issue of what we do with the intelligence community at the end of the 20th century. I notice that two of you are going to get an advantage out of this because their papers are on this topic. That's not fair, guys! No note taking; you have to do research like everybody else. You have an interesting set of outlines.

The first part of the presentation is about oversight. Oversight is this really peculiar word in the English language, because it has two totally opposite meanings. "We're keeping close track of it"—that's oversight, and "Darn, we missed that one!"—that was an oversight. We try to do the first one, and not let the second one happen.

Oettinger: I can't resist. For years, the Freshman Handbook at Harvard said: "Although Harvard is a large institution, each incoming student will be given careful, individual oversight," which I always thought was a marvelous pun.

Lowenthal: Exactly.

A lot of what I'm going to talk about is sort of generic to the issue of oversight, and not peculiar to intelligence oversight, but some of what I'm going to talk about is peculiar to what we do in our committee and in the Senate Select Committee on Intelligence. I will refer to the two committees by their code names (not secret codes; don't get excited). We are the House Permanent Select Committee on Intelligence. We call ourselves hippsy (H-P-S-C-I), and they are the Senate Select Committee on Intelligence; they are sissies (S-S-C-I). I didn't make these up, guys, but that's what they're called.

As I said at lunch, you've got to read the Constitution. It is the official book of rules, and the Constitution makes it very clear that the Congress has the right to know everything—and I underscore: *everything*—that happens in the executive branch. There is no excuse—except for a very narrow band of client-privilege relationships with the President and a select few people—for withholding any information from the Congress, anywhere. This is important because the checks and balances system works. If we didn't have this, Presidents and agencies would occasionally do daft things (not to suggest that Congress gets it right all the time), but that's the nature of the checks and balances system.

Oversight has a bunch of generic hallmarks. Number one, there is an information war that goes on in Washington every day. I'm not talking about the information war in the Libicki book, which is about computers taking each other down.* Nobody knows what an information war is, so if you think he's got it, read it; who cares. It's just something that we scare ourselves about on the op-ed pages of the *Washington Post* on Sunday mornings.

What I mean by information war is that the executive branch has the information, and the Congress wants the information, and the executive branch cooks the books. I'm not talking about lying to Congress, mind you; lying to Congress is a felony. What I am talking about is that in the executive branch, the interagency process by which policy is produced is so excruciating that once you get that policy out the door and bring it up to the Hill, you don't want to reopen that can of worms. You've got a script. You have a sales package. You are selling policy. I would except the intelligence community from this. They are not in sales except at budget time. They're in a different realm. But the other executive agencies are in sales. Are you ever going to hear the SECDEF, for example—and it doesn't matter if it's Bill Perry or Les Aspin or whoever the next three are, it's always the same—come up there and say, "Well, it's not a great weapon system, it's a fair weapon system. It's jamming a little more than we thought. Yes, it is pricier, but let's all fund it this year and next year I'll make it better." It's ludicrous! You're never going to hear that. "This is the best damn weapon system anybody could ever make!" It's the same for every policy that comes up to the Hill. It's sales! My bosses sit there and go, "Maybe, and then again, maybe

* Martin C. Libicki, *What is Information Warfare?* Washington, DC: National Defense University, 1995.

not," because they know they're being pitched, which is why they have staff, why they have support agencies, and why we have outside witnesses. They need a reference point by which to assess the sales pitch.

So there is this constant tug of war about getting information out of the executive branch. They want to put forward the information that best suits their case. They want to avoid information that's embarrassing or contradictory. They want to control it. We want fairly free access to a lot of it. In intelligence, this gets into an issue of classification leaks, and I'll come back to that.

Congress also hates surprises. Congress is sort of like a large cat, and if you stroke it the right way, it tends to purr. If you stroke it the wrong way, it tends to claw you. There are exceptions to this rule. Jimmy Carter got clawed no matter how he touched the cat, but his legislative liaison office in the White House was probably one of the worst on record. Ronald Reagan, for the first six years, could do whatever he wanted to regardless of who controlled what. He had tremendous success in legislative liaison. Bill Clinton wasn't good in the first Congress, and now he's not very good in this Congress. But this no-surprise thing is a big deal, and it certainly is a big deal in intelligence. I've heard my chairman* tell many senior officials in the intelligence community, "I can deal with anything if I know about it up front, but if I'm surprised, and I have to react to catch up, then I'm not going to be able to help you."

That's the next point. Oversight is a mixture of adversary and advocacy. This tug of war tends to be adversarial, and so is trying to get information, and sometimes it's partisan. At the same time, you are, at some level, an advocate for the agencies you're watching. You're their protector and their defender. You're the person who is translating what they're doing and why it's important to the other members of the House. On our committee, there are 16 members. That means there are 419 members on the floor who aren't intimately involved in this on a day-to-day basis, so you are selling them your vision for the intelligence community, hoping that they'll accept it. So you become the intelligence community's advocates. At the same time, you're also their watchdog, and it's a mixed role. It's not inconsistent, but you sort of go back and forth across the spectrum.

National security issues are not entirely bipartisan. I know that we all have this ethos in this country that foreign policy is bipartisan, and that politics stops at the border's edge. It's not true; it never was true. There is a partisan tinge to a lot of stuff that goes on. It's just the nature of being in a political system. You try to minimize it, but you also have to understand that it happens, and that it's there, and sometimes it's better, and sometimes it's worse. That's just a fact of life and one of the costs of doing business.

In intelligence, in addition to all those generalities, there is a whole bunch of other peculiarities. Very few members come to Congress with an intelligence background. On our side of the aisle in the committee, we have one member who had an active career in intelligence. On the Democratic side of the aisle, there was one member who had an active career in Army intelligence. So you get people on the intelligence committee who don't have a lot of background, and yet they're eager to do this because they find it interesting and important.

But there's a learning curve—probably a steeper learning curve than the average member has coming to a new committee for the first time, because they tend to choose committees that either are important to their districts or have an intellectual interest for them. As we were discussing at lunch, the two intelligence committees have term limits, tenure limits, to avoid the overseers becoming too cozy with the agencies they're overseeing. So, get them in; get them out. The trouble is, given the learning curve problem, in an eight-year term, for example, which is what the current rule is, how many years are you spending before you're really facile with intelligence, so when somebody says, "IMINT," or "special intelligence," you know what that means without saying, "Oh, wait, which one is

* Representative Larry Combest (R-TX).

that again?" I used to have this problem with MASINT (measurement and signatures intelligence). I understand MASINT now, but I don't remember why I understand it. Then they get to the end of their tenure and they're gone because it's time to rotate them off. This is a significant issue.

There is no tremendous political advantage to being on the intelligence committees. It's not of interest to your constituents. My chairman's district is the western half of the Texas Panhandle. There are no intelligence facilities in Lubbock, Texas. As I said at lunch, the district is very proud of the fact that their member of Congress is the chairman. They think that's terrific. They're proud of what he does, but that's it. Lubbock is cotton and oil. That's what's important in Lubbock, Texas. When you're on the intelligence committee, all the time you spend on intelligence is time you're not doing the stuff that got you reelected; in my chairman's case, agriculture, for example.

You can't tell your constituents what you're doing; it's classified. When something goes wrong, you get asked one of two questions, neither of which has a good answer. One is, "Why didn't you know that was happening?" If the answer is, "Well, we did know," then they ask, "Well, why didn't you do something about it?" I know win-win is the current philosophy. This is lose-lose.

And yet members love being on the committee. We have a waiting list of members. The Speaker appoints members to the House Intelligence Committee. On the minority side, the Minority Leader gives his nominees to the Speaker, and the Speaker makes the appointment. But we have members eager to get on the intelligence committee because it's fun, it's interesting, and you get to see stuff you'll never see anywhere else. So, given all the downsides of this, you still have this as a major attraction to the members.

It's hard work, there's a lot to learn, we have a lot of meetings, and members, as a rule, are just torn. Among the many things that Congress has not been able to legislate for itself is being in two places at once. Scheduling hearings is difficult because you have a lot of members who have to be in a lot of different places at any given time, and then they're torn. They run in and out of meetings. Our committee is in the Capitol, which is really convenient if they're down on the floor, but God forbid the other hearing is in the Rayburn Building! These guys are sprinting. That's a subway ride away, literally, from where we are. So there are all these sort of counterstrains to being an overseer in Congress.

The main issue in oversight, as I mentioned, is the information war, and I don't necessarily mean "war" as hostile. Sometimes it is hostile. Sometimes you get the information, sometimes you don't. To be very facetious, one of the things I like about the job I'm in is I know we'll always win. The Congress will get the information, and it's often just a case of how much pain we are going to inflict on each other before we get the information, but inevitably, we'll get it.

Now, one of the raps against Congress, and one of the major misperceptions in the executive branch, is that you can't give information to Congress because you can't trust them. They leak like a sieve. My response to that is, "Compared to whom?" We've had two intelligence committees for 20 years. In that time, there have probably been, by my count, about 14 or 15 leaks of intelligence from inside the intelligence committees. I may be overestimating.

That's too many! You want zero. However, in that same span of 20 years, what is the record of the CIA, the NSC, the State Department, and the Defense Department? I will take the Congress's record, as imperfect as it is, against those agencies any day of the week. If you've worked in Washington for anything over a month, you come to realize very quickly that 95 percent of all leaks in Washington come out of the executive branch. Congress does not have to leak information to get what it wants. Leaks are like murder mysteries. In a murder mystery, the question you always ask yourself is "*cui bono?*"—who benefits from this person's death? Well, it's the same thing with a leak—who benefited? Congress doesn't have to leak. Why? Congress has all the money. You don't like the war in Nicaragua? You turn off the spigot—no money, no ammo; no ammo,

no war. This is very simple. If you're in the executive branch, you don't have that lever. You've got to do something. You've got to talk to somebody back and forth.

Student: That seems a little bit counterintuitive. Some members obviously leak something because they just don't like the program and they want to go open with it.

Lowenthal: I didn't say it was perfect. I said I'll take our record against theirs, but I object to the canard that you hear in the executive branch that you can't trust Congress because they leak. It's just not true. It's not substantiated by anything. It's a prejudice that's used as an excuse so that you don't have to do that which you don't want to do—most of the time. I didn't say it was perfect, but as a rule, I would say it's a 95-5 split as to who leaks what. I'm not claiming perfection.

Oettinger: If you look at the record of the seminar, most people from the executive branch, when pushed, will concur with that assessment.

Lowenthal: They don't like it. But, since I work for the Congress, it's easier for me. It's a problem, but we (the staff) and the members understand this is serious information. Sometimes there really are lives at the end of the line that can get badly screwed up, if not terminated, if you mishandle this stuff. But we spend a lot of time on the information war—requesting information, getting information. Sometimes they're very willing to give it, sometimes they're not.

Not all the staff is cleared for all information. I'm cleared for everything that shows up in the committee. My registry is cleared for everything; my chief counsel is cleared for everything; the Democratic counsel is cleared for everything, but after that, it's pick and choose. People still get cleared on a need-to-know basis.

Members do not have security clearances. Members sign an oath, on our committee, that they will safeguard information. With the beginning of the 104th Congress, all members of the House signed an oath to safeguard information that is the same as the oath we've had on our committee since 1992.

Nobody on the congressional staffs gets polygraphed. Polygraphing is an executive branch thing. In the executive there are many different polygraphs: there's a CIA polygraph; there's a Defense polygraph; there's an FBI polygraph. These are like different branches of a religion: they're sort of worshipping the same god, but not in exactly the same manner. They ask different questions, and they have different interpretations, which makes you wonder about the mystical runes of polygraphs at a certain point. If it's scientific, why is it subject to interpretation?

The budget, as I said, is the main way that we control everything that happens. We pass an annual authorization act for the intelligence community. Appropriations are passed in the Defense Appropriations Bill, and they're hidden. The big issue is: Should we disclose the aggregate number? A majority of the House (regardless of whether the Democrats or the Republicans are running the House) has always been opposed to this. It's becoming our sense that inevitably this is going to change, whether we like it or not. Chairman Specter (R-PA) and Senator Kerrey (D-NE) on the Senate side have said publicly that this year in the authorization bill they are going to propose declassifying the aggregate number. The chairman is aware of this. We have very good relations between the committees. I don't know where that's going to end up, but this has been an ongoing issue. The Constitution says very clearly, "There shall be a public accounting of all money spent." We haven't exactly done that for the intelligence community.

There are reasons in terms of security, and there's always the argument, "Well, it's in the Defense Appropriations Bill, and all that money is publicly accountable even if you don't know which chunk of it is intelligence. So at least you know the money is being spent." If you're going to be rigorous about this, the better arguments are on the other side, and yet I think there are reasonable security arguments for not disclosing it.

But the budget is the main way that we control everything, and we give it a fairly rigorous scrub. We're talking about a small staff. There are 24 staffers total on the House Intelligence Committee, and of those 24, 9 are in support capacities. So I'm down to 15 (5 of them work for the Democrats, so I have no control over them *per se*) to do the budget. That's not a lot of staff.

One of the other canards against Congress is that our staff is too big, and, again, I would say, "compared to whom?" Compared to the staff of the United Kingdom, it's huge. I've met both of the intelligence staffers in the Parliament, and they're both lovely guys. So I've got a lot more staff than they have. On the other hand, 10 majority staff and 5 minority staff to do the entire intelligence budget between March and May is not a lot of bodies to throw at the problem, and this is not an easy thing. You get the budget; you get this book called the *CBJB*, which stands for the *Congressional Budget Justification Book*, which is why everyone says *CBJB*. That makes it sound good: "Hey! Have you got the *CBJB*?" You go through that, and some programs you agree with, and some programs you question. You make proposals to the members, and the members decide. It's important to remember who got elected. None of the staff got elected to anything. The members got elected.

One of the things I liked about working for George Shultz was that when he would be asked to take some initiative, he would say, "No, no, no. The President got elected; I'm just doing this work for him, and the day I feel I can't do that, I'll leave." I try to keep very firmly in mind the fact that I never ran for public office, and it's my chairman who has to go to the floor and defend and advocate issues. I don't have to do that. That's his job.

Some staffers at a certain point tend to lose that little touch with reality. You've got to keep it. You're not a member. Being a staffer, you get a lot of respect, and you have a fair amount of influence in the community, because the community understands they've got to keep us happy, or reasonably happy.

The budget takes a long time to do, but we get it done by the spring. A lot of stuff that goes on is informal. We get a lot of briefings from the intelligence community, and there is a lot of interchange there.

We can't stop a covert action from happening. That's the President's job. On the other hand, if we're briefed about a proposal, we can raise a lot of questions. If they're not stupid, they're going to go back and say, "Look, this didn't sing and dance. These guys are going, 'Huh?'"

One of the things that the intelligence community is woefully bad at understanding is that if you give information to the Congress and they accept it, at some level you have co-opted them. They took it on board. They didn't go, "Huh?" The DDO seems to be unable to fathom this concept. I have said to the DDO, "Your people are trained to spend their lives getting people to do things that they really don't want to do, and you lose that entire facility when you come to deal with the Congress." Bob Gates has made the same observation: that the CIA is able to operate successfully in every country except the one they're based in—the United States. It's fascinating to me.

If the DCI and the committees disagree after a briefing, that's fine. That to me is effective oversight. That's the President's decision, or the DCI's decision. At the same time, members can make it clear that this is one that they don't agree with, and if it goes bad, they're not going to go down and support it. Other times they will go down and support it. Again, it's this adversary versus advocate sort of thing, and it's subtle. It's not a question of withholding money; it's just a question of give-and-take at briefings. We get a lot of briefings: more briefings that any single individual could possibly sustain in a week. The number of people going out of my office to the agencies and the number of agency people who are coming to see us in the course of a week is immense.

Among the other issues that we're working on besides the budget, the main issue is what we do with the intelligence community, and we'll talk more about this issue in the second half. This is going to be our major legislative issue for the rest of

this year. I think we're going to have hearings this year about Haiti. We're concerned about intelligence uses in Haiti. We'll be watching intelligence support to the Bosnia operation. We'll be having a hearing on China. China's been in the paper a lot; the current hot concern is their policy towards Taiwan and proliferation issues.

It's very hard to get this all done in the course of a legislative year, and this is an especially short legislative year because of the election. Oversight is a lot of fun, but it's a lot of hard work. It is a constant job. My wife says that I'm much more mentally preoccupied in this job than in any other job I've had, including when I was a deputy assistant secretary of state. She said, "You're just constantly thinking about this job." She's probably right about that.

I'll stop at this point, and throw it open to questions. I've gone on a lot longer than I expected. The one thing that I would say about the oversight system is that it works exactly the way it was intended to. The one thing that kept the Founding Fathers up at night was the concept that if you have too much concentration of power, you have a threat to liberty. So they created this system where power is diffused between the two branches, and it works just like it was intended to. This is a slow, painstaking, pain-in-the-butt system for getting anything done. On the other hand, it's a fabulous system for safeguarding liberty, and oversight is sort of the friction between those two wheels going at each other, and it works fine. It doesn't work perfectly, but this is an imperfect system. Let me stop there and take questions, comments, or whatever.

Student: Sir, come back to the clearance issue on Congressmen. There is no vetting of any sort that goes on?

Lowenthal: What would you do if you found a Congressman had something in his background investigation that, if he were a civilian, would not let him get a clearance? How would you justify not clearing him? His voters have said he's a member of Congress. He's fulfilled the Constitutional requirement to be a member.

Student: The answer is, "I don't know," and that's why I'm asking you. But even on the appointments to the committee there isn't anything, so there's nothing at all?

Lowenthal: My sense is that the leadership is careful about whom they appoint. If you have a member who strikes you as being unreliable, you're going to think long and hard about if you want to put him there, because if he's unreliable in the intelligence committee, that does not redound to the benefit of your party. That's your guy! You either walk away from him, or you remove him, and that's terrible. So I think the leadership is careful about this. That's one of the benefits of its being a select committee.

Oettinger: I think it's important to point out that the whole idea of classification, clearance, et cetera, et cetera, is an executive branch idea.

Lowenthal: Yes, that's right.

Oettinger: So it is *per se* inapplicable, and I guess what I hear Mark saying is that there is some other mechanism, such as the judgment of the Speaker of the House, et cetera, that is at work.

Lowenthal: On the staff, we all have clearances.

Student: I'm aware of that.

Lowenthal: We have standard BIs (background investigations). The DCI wafts holy water on us, and we're admitted to the various orders, veils, mysteries ...

Student: ... secret handshakes.

Lowenthal: Right, and things like that. *This* means slide, take second base; the whole thing.

Student: Let me follow with another question on a different subject. You said that you constantly have all sorts of different briefings. What percentage of these are the agencies or services coming in trying to

get the committee to understand what they want, and what percentage of them are things like your going out and asking someone to justify something or tell you something you want to know?

Lowenthal: I don't think I could divide it. My instinct is to say it's fairly evenly divided between the two. To deal with this issue of sensitivity, there are different levels of briefings. Sometimes it will just be a staff briefing, where it's sufficient for the staff to know. Sometimes it's something where you want all the members to know. Sometimes there are extremely sensitive issues that we call "Gang of Four briefings," which is a name that did not originate in my tenure. "Gang of Four" means the chairman, the ranking member, the staff director, and the minority staff counsel. Sometimes it's the chairman and the ranking member only because it's really sensitive, it's "burn before reading," and that sort of thing. You can pitch it depending on the nature of the information. In terms of whether it is us asking versus them selling, it's a pretty good mix. It's hard to say.

Student: In the oversight capacity, do you also look into the actual analytic product? Are you involved in the actual production of the analysis?

Lowenthal: No, that's their business. I had an analytical job, and I would have been really sore over having some smartass congressional staffer delegate what to write and how to write it. On the other hand, I was meeting with some senior analysts, and we were discussing their analytical program for a certain area, and I said, "Is anyone writing X?" They said, "Darn, that's a great idea!" They put it down, and my sense is that somebody is now writing X as an estimate. I was a little stunned that nobody had thought of it, because it struck me as a fairly obvious one.

We sometimes will have analyses briefed to us, and sometimes there have been controversies. For example, Congressman [Curt] Weldon of Pennsylvania has raised an issue about a recent NIE on the missile threat, which gets involved in strategic defense politics, and he feels there has been a big swing between this year's estimate and last year's estimate. He's handling that in his own subcommittee. We are not. We can get into that issue if we want to: Why has there been such a big change? Why aren't you covering this? But getting into individual products, no. That, in my sense, is their product.

Student: You mentioned partisanship as part of the tough job that you have to face. What are some of the points of contention, or the different philosophies that are at play?

Lowenthal: This is a Democratic administration. I work for a Republican majority. We do not look forward to a successful Clinton election in 1996. The Democrats want to put the best face on his foreign policy. We want to make sure that the intelligence community does not get involved in that. The Democratic staff want to make sure we're not going out after the CIA for political reasons. This is a Democratic CIA.

This is a change that happened in the Carter Administration. Until the Carter Administration, DCIs were not automatically replaced at each election. Allen Dulles successfully went on from Eisenhower to Kennedy until that nasty Bay of Pigs business. Richard Helms went from Johnson to Nixon, which strikes me as a fascinating transformation. Helms talks about it, and it's fabulous to listen to. He's a wonderful man to spend time with. Then, when Carter was elected, George Bush had been DCI for a year, and he went to the President-elect and said, "Mr. President, we've had four DCIs in as many years. The place needs a little continuity. I'd like to stay on and be your DCI, and I will give up partisan politics." Carter said, "No, I want my own DCI," and Bush said, "Yes, sir," and he was gone. After the Sorenson debacle, we ended up with Turner. Now there was no way that Ronald Reagan was going to keep Admiral Turner, just as, had Ronald Reagan lost to Walter Mondale, there was no way that Walter Mondale would have kept Bill Casey. So there's been this change, and DCIs are now partisan ap-

pointments. That puts them into this pool where there is the tug of partisanship.

We try to the extent that we can not to let this rear its ugly head. At the same time, it is one of the prices of doing business in a partisan system. We have a partisan system. We don't want it to get out of hand. My sense is that the members are good about it, and the staff tries to be good about it, but at the same time, it's there. You can't ignore it.

Oettinger: Along those lines, could you comment on the relative roles of such organs as the President's Foreign Intelligence Advisory Board (PFIAB) and the greater propensity, as I've observed it over the last decade or so, for the congressional committees to have their own sort of citizen advisory boards and so on?

Lowenthal: The PFIAB, I think, has been in steady decline since Kissinger was the National Security Advisor. Kissinger didn't want anybody looking over his shoulder, and so he really gutted the PFIAB. Then Carter further gutted it because the PFIAB promoted the Team A/Team B exercise, which told him that his instinct not to worry about the Russians was wrong, which was not the message the President-elect wanted to hear. The Reagan PFIAB didn't do a lot. Bush really gutted it. It was fascinating. Bush, the only DCI to become President, really gutted the PFIAB. He knew what these guys were like! This was the PFIAB that gave him Team A and Team B when he was DCI, and he really guts it.

Les Aspin was sent to the PFIAB after he was fired as SECDEF. Tom Foley, the former Speaker, has just been sworn in as president of the PFIAB, and it's fascinating because when he was Speaker, he did not have a tremendous interest in the intelligence committee. In those days, the Majority Leader, Mr. Gephardt, was the *ex officio* member. In the current Congress, we have a Speaker who is very interested in intelligence, and Mr. Gingrich is the *ex officio* member.

The PFIAB has been on a fairly steady decline, and I think it's unfortunate. When the PFIAB has worked right, I think it's worked well. We're sort of our own PFIAB. I sort of feel like General Junot saying, "I am my own ancestor." But we are, more or less, our own PFIAB.

I think the PFIAB can play a useful role, but not the way it's currently structured. This is not the fault of Mr. Foley; this is just the fault of the steady decline over 10 or more years. It just doesn't work as well.

Student: Let me ask you two things. By the nature of the business, obviously it's more the "dirty laundry" that gets aired as opposed to the successes.

Lowenthal: Not from where we sit.

Student: A year and a half ago, with the business over the new NRO building, and everybody coming out ...

Lowenthal: No, not everybody, just the Senate committee. Let's get this really straight here. This is an important point, sir. This was before my tenure as staff director.

Student: Everyone I had taken note of came out and claimed ignorance of what was going on. Was this instance a case of the NRO community saying one thing and doing something else? Or was it the Congress who had, in fact, been briefed and now can't admit to it up front? How did this all play out?

Lowenthal: There are two schools of thought on that. It was only the Senate committee that raised the issue, Senator DeConcini (D-AZ), Senator Warner (R-VA), and other Senators raised the issue about the building they didn't know was in the budget. No member of the House committee made that claim, and my chairman continues to insist, "We knew about it. Everybody knew about it; it was in the budget." This is the *Rashomon* effect. It's as much as I can take you into that one. We never made a claim about that being a problem (or the previous iteration of HPSCI never made that claim), and my chair-

man continues to make it clear that this is not something he felt was an issue.

I find it hard to believe that a project of that many dollars could go unnoticed. But people thinking we're talking about Cheyenne Mountain. It's a couple of office buildings! They're nice buildings, but they're office buildings.

That could be not noticeable in the budget. It didn't have big arrows: "Coming here soon ..." (Do they still have that sign on the way to Logan Airport, "If you lived here, you'd be home now?") They didn't have that kind of sign in front of the building. This is a cultural divide between the two committees.

Student: In the aftermath of the Cold War, as the intelligence community tries to figure out if it is a Defense customer that DOD is trying to satisfy, or is it economic security or economic intelligence, do the committees get involved in where the focus is?

Lowenthal: Yes. The DCI and I have had some very interesting debates over the issue of SMO. I'll come back to that when I discuss IC-21.

Oettinger: The issue of what?

Lowenthal: I'm sorry, SMO, support to military operations. I lapsed into jargon again. "How much SMO is enough SMO?" My staff went nuts one day. "There's no SMO like old SMO." They just lost it. It was late, and we'd been doing it for a whole day, and they wigged out.

Student: What's the relationship between the intelligence committees and the House National Security Committee or the Senate Armed Services Committee, especially with regard to military intelligence?

Lowenthal: We are a function of the House rules, just as the Senate committee is the function of the Senate rules, and can be changed at will. Both rules are parallel in that we have crossover members. The rules specify that we have to have members on our committee from Appropriations, Judiciary, International Relations, and National Security, and they are similar in the Senate.

Having said that, the jurisdictions are different. The House intelligence committee has jurisdiction over the CIA, the DCI—everything in the NFIP (National Foreign Intelligence Program). We share jurisdiction over the JMIP (Joint Military Intelligence Program) and the TIARA (Tactical Intelligence and Related Activities) with House National Security. The Senate committee only has the NFIP. They have no shared jurisdiction over the TIARA, and there was a very nasty fight in this last year between the SSCI and the SASC, the Senate Armed Services Committee, about the JMIP because SASC said, "It's ours," and SSCI said, "It's also ours," and the SASC said, "Oh, yeah, you and who else?"

At conference time, part of our conference is with the SSCI. We also have to be part of the Defense authorization conference because we have rights over JMIP and TIARA. So it's not a parallel structure.

We try to coordinate with them. For one thing, the dollar sums have to match. What we have in TIARA and JMIP in our authorization had better be the same number, to the penny, that House National Security has, otherwise, we just disconnected somewhere along the line. I have people who do this. I don't know how they do it. I'm very pleased that they do it.

Student: Somewhat along the same line, in trying to decide the scope of your committee, I would imagine that some of these issues, especially like covert action, are things that sort of ride the line between what would be in the Senate Armed Services Committee and what would be under traditional military budgets. Is it intelligence?

Lowenthal: Covert action is intelligence. That's fairly clear.

Student: But, beyond that, in particular with new systems, which side of the budget might control that?

Lowenthal: That's mostly a Pentagon problem, although the JMIP has fudged it a

lot. DARO, the Defense Airborne Reconnaissance Office, is not a national collector, and it's not a tactical collector. It's this thing in the middle. I don't know if Jim Clapper got into this, but he'll give you eloquent discussions about how the DARO and the CIO (Central Imagery Office) were terrible creations (and he takes full responsibility for his share of them) because nobody could decide. Instead, they patched together this system that would have made Rube Goldberg proud at the end of the day. It's very messy. One of the problems with TIARA, the Tactical Intelligence *and Related Activities*, is those last three letters in TIARA, the A-R-A part. We're talking cats, dogs, and the kitchen sink. That is used to cover more sins ... and I don't mean sins in the evil sense, but just sticking stuff in there that is not really tactical intelligence or any other type of intelligence. It's really a mess, and that's one of the things we're trying to clarify in our IC-21 study.

Oettinger: But the implication in the way you phrased that is that there is necessarily a better solution. Do you really believe that?

Lowenthal: Yes, I do. I'll come back to that in a second.

Student: Could you discuss briefly what I would regard as the one failure of anybody to report for oversight, and that's the Iran-Contra affair, which obviously was not intelligence community directly, but was NSC and "humma-humma"? Could you tell us how and if any changes have been made in the oversight process to try to catch something like that again before it happens?

Lowenthal: We've been discussing this already. You can't legislate morality by positive action. You can legislate things by inflicting penalties. I'm sorry, I have a very draconian view of the human species. I don't give people bonus points for doing their jobs correctly. That's just their jobs.

One of the things was to make it clear that you can't run operations out of the NSC staff. That's a no-no. You can't backdate findings. The penalty for this is that it's going to get out, and when it gets out, it's going to be a firestorm. You had a President who, even in the sixth year of his term, had this incredible level of popularity and it went to hell in a handbasket. There is a tremendous cost for being that stupid, and it is stupid!

Oettinger: May I take issue with that? Because at a certain level, like that of the President, it's a little bit like the question of security clearance. If the President says it, it's not a security breach, it's policy.

Lowenthal: Right. That's what Ron Ziegler once said about Richard Nixon.

Oettinger: Well, yes ... but what accounts for Ollie North in the Reagan White House?

Lowenthal: I think Reagan was intellectually lazy. He had much better hours as President than I had as one of his myriad deputy assistant secretaries of state. My wife used to say, "How come Ronald Reagan goes home to his quarters at five o'clock and I don't see you until nine?" I said, "For one thing, he lives a lot closer to the office than I do. I've got to get in the car. He just goes upstairs in the elevator and has dinner, and they bring the work up. I can't take my work home; we don't have a safe."

But he delegated. His genius was that he was really good at delegating—broad direction. His downfall was that he was too good at delegating—you know, "Save the Contras. Keep them in the field." The problem was that lower down in the pecking order you had an admiral who had no political moral compass, who worked like a policy automaton. You had a lieutenant colonel of the Marines who had grandiose visions of his role. And you had a DCI who had been used to operating very freely, was clearly in declining health, and obviously was having a problem with his mental capacities, since he had an incipient brain tumor. If that novelist, Clancy, had written this as a novel, you would have laughed. Well, the funny thing is, it's true!

All the tumblers suddenly clicked. What was it Einstein once said: that God doesn't play dice with the world? How did he know that? He was wrong! God does play dice. All the tumblers click, and everything goes wrong. These are fallible systems.

Now, Oliver North was supposed to be out of that job, and the reason they kept him on ... You talk about "for want of a nail ..." The Marine Corps had made it clear that he was not going to make full bird. He was terminal. So whoever his *padrone* was in the Corps said, "All right, then let's just keep Ollie on for a while at the NSC staff." They all said, "Okay, fine, what the hell!" Whoa! That little decision point: "Let's be nice to the lieutenant colonel and keep his career going for a while," is the beginning of this nasty mess. I'm sorry, but I do believe in the role of personality.

Oettinger: Add in the role of other accidents—and you can read Beal's and Grimes's accounts of how some of the NSC/White House staff information systems helped nail him because he didn't count on the memos being in the back-up system.

Lowenthal: Electrons apparently have no death. It is very hard to wipe out an electronic record. Sure, I had a friend wipe out his computer system, but it took an entire house fire to do it, and the computer looked like some piece of Dali-like sculpture; I mean, it was dead.

But how do you legislate that? You don't. One of the issues we've been dealing with in IC-21 is the President-DCI relationship. I am very dissatisfied with that relationship. I have been for years. I have had this ongoing debate with Sam Halpern, who was Richard Helms' exec. in the old DDP (CIA Directorate of Plans), and I say the relationship doesn't work. Sam says, "It worked really well under Bedell Smith,* and worked really well under Bill Casey." And I would say, "Sam, there are 30 years in between there! You've got a problem!"

I have to tell you, at the end of the day, when I was writing this last night in my study before packing up to come over, I decided: he's right! You can't legislate a relationship. You can't legislate people to do the right thing. You have to choose the right people. And you know what? Inevitably you're going to get some of it wrong.

Oettinger: You can look at the history of Lincoln's running through cabinet members and generals, and so on. That doesn't change.

Lowenthal: And paper isn't the answer. Jimmy Carter on paper, and Herbert Hoover on paper, should have been terrific Presidents. Wrong! Wrong personalities.

Student: One other question on something that you've already sort of tangentially related to. One of the key points Professor May has harped on recently is, "All covert activities will come out eventually."

Lowenthal: No, *most* of them will. I disagree with Ernest on this. I think Ernest would take my amendment. You ask him when you see him.

Student: Anyway, most covert action will come out eventually, and that's one of the reasons why things like support of the HPSCI are so important, because eventually it will come out. It's just a question of how long. Do you agree with that?

Lowenthal: I don't agree with the "all" thing, but I agree with him about the other part, yes. This goes back to what Helms was saying: that there is no natural advocate for intelligence in the body politic or in the Congress, except for the intelligence committees. All right, this is an anomalous district—an exceedingly liberal district where there's not going to be a lot of support for intelligence per se. But even if you go to my chairman's district, which is very conservative district, they assume that intelligence is happening and it's fine, but they don't worry about it. It's just there,

* General Walter Bedell Smith, USA, Chief of Staff to General Eisenhower in World War II, and DCI 1950–1952.

and when something bad happens, then they want to know, "Why did it happen?"

As I said, this is one of the things I can't get the DDO to understand: that there is a benefit to keeping the members informed because if things go wrong, they will have members who said, "Yes, we agreed that it sounded like a decent idea at the time." It's hard for them to take this on board. I think Ernest is right about that part.

Should I shift gears?

Oettinger: Yes, let's move on. I had earlier in this semester given a couple of homilies based on a lemonade stand where a kid has everything in his own head, and the notion that when things get scaled up life gets a lot more difficult because the things that a kid with a lemonade stand may keep in his own head become large organizations that require management and then require splitting up and one thing or another. I promised them some further thoughts by our guests on any questions of how you organize things that are not all inside one head. Your notion of the second half of what you propose—thinking about the reorganization of the intelligence community—fits right along with that, and we're eager to hear your words about that.

Lowenthal: A lot of this is going to be somewhat tentative, because at this point I'm discussing a concept that has the chairman's approval—he signed off on it yesterday—but it does not have the approval of the full committee or a majority of the members yet, and we are not airing it until March 4. So bear with me.

The chairman decided (if he became chairman) that he was going to undertake a review of how the community does what it does and how well it does what it does, and we have labeled this thing IC-21, which is shorthand for "The Intelligence Community in the Twenty-First Century." We've been at this for a year. I am still on schedule, which I find remarkable. I'm still on time, which I find unbelievable. And the clock is running against me, which I understood at the beginning of this exercise.

IC-21 is based on a couple of premises. (A lot of this is going to sound like Jim Clapper, and we agree on a lot of stuff, though not entirely.* As I said earlier, it's not fair to do this to Jim, but he is one of the intellectual godfathers of parts of where we are.) But everything is *ad ref* until we brief the members on Wednesday morning at 10 o'clock, which is going to be really exciting. Either it sings and dances or I'm going to have the biggest goddamn egg you've ever seen in your life.

At any rate, among the premises are that the intelligence community, as we know it, was largely shaped by the struggle against the Soviet Union. That was its main cause for being, not the only reason we have it, but that's what basically shaped it.

The role of the intelligence community has not changed. During the Clinton transition, I was an outside advisor to their intelligence transition team, and I kept seeing these drafts saying, "With the end of the Cold War the role of the intelligence community has changed." I would slash these mightily in red writing and say, "No, no, no, no! The *role* of the intelligence community is the same. The *target set* is different." I had a lot of trouble getting people to understand that.

There is nothing individually wrong with the pieces of the community. DIA makes sense. NSA makes sense. CIA makes sense. But if you were starting from scratch, you would not build this community the way this looks. This is a ramshackle, ad hoc structure. It's a largely vertical structure. There's not a lot of horizontal in this structure. Those are sort of the opening premises.

The guiding orders for IC-21 are that everything is on the table. There are no sacred cows, and this is not a budget drill. This is not about the budget at all, and whether it goes up or it goes down. This is not a reorganization drill. In fact, I gave my folks very strict orders, "No wiring diagrams until the end," and we did not draw a wiring diagram until the second week of January. It took us a week. I have to tell you, I would not have predicted the wiring

* See General Clapper's presentation in this volume.

diagram that I'm carrying around in my briefcase when we started the exercise. Pieces of it I would have said, "yes" to. But the reason I ordered that is that once you draw the wiring diagram, you have to make everything fit to it. It's a very Procrustean exercise, and I refuse to do that.

This is an exercise in opportunity, not in reform. I tried to make this clear to Les Aspin before Les started his commission. He was talking about reform. I said, "Les, if you say that, first, it's intellectually dishonest. Reform is what we did in the mid-1970s when we found the community was doing a lot of things that were stupid and illegal, and they needed to be reformed. Second, if you say that, besides its being dishonest, you're going to have them on edge." I said, "This is about opportunity. With the end of the Cold War, and in the absence of any major overwhelming national security threats, we have a chance to go back and review the bidding. What are these guys doing? How well do they do it? Can they do it better?" So opportunity is a big issue here.

The main focus is on where the community should be to answer the problems they're going to face in the next 10 or 15 years, especially the basic working premises. Then we're going to have the issue of how you do this. Aspin-Brown basically looked at each agency: What does the NSA do and how do they do it? We decided, after an initial inquiry, where I sent out these overly long questionnaires to about 60 people and actually got more than 40 responses, that that wasn't the way to go. If you do it that way, what you end up with is basically a yes or a no on each agency, but it doesn't tell you where you should be going. So we disaggregated the community into functions and asked ourselves, "What are the problems in this function? And what are the possible ways of solving it?"

Now the trick to this is Humpty-Dumpty. You've got to make all the pieces fit back together again. We had 16 staff studies. I'll tell you what they are, and you can ask me questions about them later on.

Intelligence management looked at a whole bunch of the usual issues. Should the DCI be a DNI? Should he have a term limit? Should he be separated out from the CIA? Should we merge various components? All that stuff.

The requirements system was a big issue. How do you take consumer needs and translate them into resources, collection, and analysis? We've never had a good system for that. We still don't have a good system. I would say that George Tenet, now the DDCI, when he was on the NSC staff, created the best system we've had to date. It's still a very imperfect system.

We looked at the various collection disciplines—SIGINT, MASINT, IMINT, HUMINT. What are their strengths and weaknesses? What are they going to contribute to the types of national security problems that we're likely to face? It is not the Soviet Union anymore. It's a different set of issues.

There's the issue of collection synergy. How do you get them all to work together to maximize, if I can use the word?

The issue of launch is important to the technical collectors. How do you keep the birds up there that you need to have up there as these things become more and more expensive?

Surge is a big issue. What do you do when suddenly the issue is Rwanda, and nobody in their right mind in last year's planning drill said, "Rwanda, it's going to be a biggie!" If they do, everyone laughs and says, "Hey, great, Rwanda! All right, let's get back to the serious issues." "No, man, we're going to Rwanda tonight. We're going to have a three-star and 2,000 guys in green, and a water desalinization plant, and we're going to Rwanda." "You're kidding!" And what do you do when Rwanda happens, and then someone says, "Oops, sorry, it's Somalia now!" In a more constrained community, how do you take your forces and pitch them 90 degrees left, and then 75 degrees right, and keep them going? This is a very important issue.

The issue of SMO, support to military operations. How much SMO is enough SMO? This is a big intellectual issue, and it's a big budget issue. There is a huge cultural divide on the SMO issue.

Intelligence and law enforcement are all these nasty issues, the transnational issues—narcotics, crime, proliferation, terrorism—that cross between foreign and

domestic intelligence. How do you parse that out?

Intelligence centers. Bob Gates started using all these intelligence centers—the Nonproliferation Center, the Counternarcotics Center, the Counterterrorist Center. Basically, the way I phrased this study was, "Wave of the future, or flavor of the month? And if these things make sense, do you need a DI? If these things don't make sense, why are we still doing them?" I thought it was a good question at the time. I still think it was a good question. The answer was not an answer I would have expected.

Oettinger: Was that DI?

Lowenthal: Director of Intelligence.

Oettinger: Oh, the same as this DCI, DNI ... ?

Lowenthal: No, DI, or DDI, Director of Intelligence in the CIA. If you have all these different centers, do you need a DDI?

Student: Sir, don't keep us hanging. What did you expect, and what was the answer?

Lowenthal: I expected flavor of the month, and my sense was it was wave of the future, but that's because of what we're doing for the community. If we did a different community, we'd back the flavor of the month—it's Rum Raisin!

Let's see, have I hit all the studies? I'm picturing where my analysts sit in the office. I know who did which study.

Student: Personnel study?

Lowenthal: Personnel is in the management study. Personnel and budget management issues.

Communications. What are the effects of the ongoing communications revolution on intelligence? Basically, should "C4" and "I" be in the same room or not? Does this make sense? The answer is no.

Student: How about counterintelligence?

Lowenthal: We didn't do counterintelligence. Our sense was that enough had been done post-Ames, and enough successful reforms have been made post-Ames that it wasn't necessary to revisit that. We had done an extensive report on Ames at the end of the last Congress, so we skipped it.

Congressional oversight. How well do we do what we do? How should we do our stuff differently?

So those were the studies.

One of the other premises of IC-21 is that this should be a public process to the greatest extent possible. It should be transparent. So we did six full committee hearings, five of which were public, and one was classified, but we're having it declassified because there was nothing in it that should be classified. We had I forget how many staff panels and how many interviews, and the staff studies stacked together are longer than my dissertation. I hold one of the indoor records at this institution for doctoral dissertations.

Oettinger: Two volumes!

Lowenthal: Eleven hundred and five pages! Professor May's first comment was, "It seems a bit long." He was right, but you do all that research. I only learned later that to edit is to choose.

So that's where we were, and one of the reference points we kept coming back to was Goldwater-Nichols. You'll notice in the Clapper handout, he says, "What intelligence needs is a Goldwater-Nichols." Now, I didn't do this because Jim said that. But it struck us that Goldwater-Nichols was very successful for two big reasons. Number one, they had an overarching concept, what the Germans call *das gesamte Konzept*. In their case, it was jointness, so that everything fit a specific, necessary goal. The other thing was that they basically only legislated the really big stuff. They gave general direction for the rest of the stuff, and then told DOD, "All right, you know what you've got to do. Go do it! We're not going to legislate that."

Oettinger: In regard to your punitive stuff, they also required reports on progress.

Lowenthal: Yes, that was Congress' requirement, right.

I made it clear that I wanted different levels of recommendations: things that you have to legislate, things that you should do in an EO (Executive Order), and things that the DCI or the DIRNSA, the Director of the National Security Agency, could do on their own. But do you want to recommend it or say "Let's think about it"?

I kept asking my guys, "What is the IC equivalent of jointness?" and we kept coming back to the same thing. It's not a word, but I haven't come up with a better word—"corporateness." You don't like it? Well, I'll tell you: I called my brother-in-law the organizational psychologist, who got his Master's from this place, and he said, "corporate identity." We didn't like that one either.

Oettinger: But, you know, there's something weird about that. You just brought me up short, because the military never had this superficial bullshit of community. They were always separate services, whereas in a sense the intelligence community has been living its separatist life under the cover of an illusion.

Lowenthal: That's what's been wrong with it!

Oettinger: But if you just change the words from "community" to "corporateness" or whatever ...

Lowenthal: Oh, no.

Oettinger: So tell us about the teeth, not about the words.

Lowenthal: The idea is just for the reason you said, because "the intelligence *community*" is bullshit. I live in a community. Our next-door neighbors on one side and we don't talk a lot. We just don't. I have good friends on the street. There are other people I wave to. It's a community, and the common factor is that we all live on the same street. I work in a community on the Hill. There are people there I will never know other than just to say, "That's the guy I see on the subway going to the Rayburn Building." Some people I work with I like, and some people I work with I don't like. It's a community. But we know we're working towards a common goal.

That is part of the problem: that the IC doesn't see itself and its component parts as "common." When you're working in INR (the State Department's Bureau of Intelligence and Research), the DI is one of the enemy. "Those analysts are doing my work, damn it!" The NSA is a competitor of the DDO. "They're doing collection, damn it! That's *my* collection."

If you look at figure 11 in Jim Clapper's brief, what I love is what he calls the Balkanization of intelligence programming. What's funny about that is not only the concept, but also that the personality of each agency corresponds to the geography. The CIA *is* like Serbia, and TIARA *is* like Bosnia. It's internecine warfare. It's one of the funniest charts I've ever read. They don't think of themselves as a community.

One of the biggest reasons for this is that there is a tremendous mismatch between the DCI's authorities and responsibilities. Now, I am not the first person on God's green earth to make this observation. I've made it before, but God knows it was not original the first time I said it. We're going to try to fix that and give him more really direct community authority—over budgeting, over personnel. For example, if he needs Rwanda analysts because Rwanda just went up in smoke, and he's got to write a Rwanda estimate, and the best Rwanda analyst is in INR, instead of begging for an analyst (and I was in this, I used to do this: "I'll give you my second-best analyst. I'm going to keep the best for myself. I'm not an idiot as a manager"), the DCI says, "I'm sorry, this is for the good of the community. I'm taking the INR analyst, and I'll give you my backfill analyst because that's what the community needs." Now, that's direct power. There's reprogramming authority. Instead of asking the program manager, "May I have some money, please?" you say, "John, I've got

some bad news for you. You just lost $150 mill. I'll make it up to you in the next budget. You'll get by."

Oettinger: The analogy to Goldwater-Nichols comes in because of the shift in authority to the Chairman of the Joint Chiefs, the shift in ideas of jointness as it used to be. Initially everybody laughed at it in the services. They would say, "Oh, another liver patch," and so on. When it became clear that Goldwater-Nichols had given authority that affected promotion depending on how joint an assignment was, all of a sudden, from all the second-raters getting billeted into the Joint Chiefs, the services started sending some of their better people to the Joint Chiefs.

Lowenthal: The Joint Staff used to be a sinkhole. I remember when I was working in arms control in the mid-1980s, I was working on START issues, and the Joint Staff officer responsible for ballistic submarine arms control policies was an Army lieutenant. I could have sold this guy screen doors for the submarine. He would probably have said, "Oh, great, that would make it lighter, right?" so he would have bought it. That's what they said: that he was expendable. Lieutenants are always expendable, you know that, but he was really expendable. So we really want to enhance the DCI's authority.

This business about the TIARA. We need to redefine TIARA so that it is not all these cats and dogs and the kitchen sink, and instead is just those things that the four service components need to support their services.

Student: Who is tacking all this other stuff onto that?

Lowenthal: Oh, everybody and their Aunt Mary, basically.

Student: The services or the Congress?

Lowenthal: The services *and* the Congress. Let's be fair about this. We want to try to create a stricter dividing line, and then go back and look at the issue of oversight. Maybe if we can define it better, maybe we can create a division point between us and the House National Security Committee. We don't have to share it. The example that my boss uses is, "If they put a recce pod on an F-14, I don't want to worry about that. That is the local commander's problem. On the other hand, if it's a big bird in orbit, I'm going to worry about that." There's a dividing line somewhere in there. Finding it is tough, and I've got a guy who's lived in TIARA most of his life, and I think he's coming close to the line in defining it. It's going to be ugly, but I think it would be helpful to divide it and define it in a better way.

Oettinger: Yes, but let me just take your recce pod under the F-14. I can see that becoming a national intelligence asset.

Lowenthal: I can conceive of it also.

Oettinger: Then we get back to that whole matrix wiring ...

Lowenthal: This is part of the problem, because my chairman goes by the idea that we are responsible for a global architecture, from national down to tactical, but at a certain point, there's still got to be a hand-off where this is something that you just don't worry about at the national or even the JMIP level. The trouble is that nobody has ever tried to define it, so we just keeping throwing more buckets into the TIARA pool. I've got to believe that there's some way to make it cleaner. Is it going to be perfect? No! I know the Constitution says, "more perfect," but only in America would we try to improve on perfection. I'm not looking for perfect. I'm looking for really good.

Fred Astaire said to one of his dance partners, "Don't be nervous, just don't make any mistakes." I can't live with that one. We're going to make a couple. We're going to get a couple of things not quite right, but my sense is that it will be a general improvement.

So that's where we are basically. Those are the studies. We have what I think is a good proposal. I'm giving sort of dry runs

of pieces of it at this point. My major concern is the calendar. We have until July. It is now Washington's birthday, for those of you who remember when the real birthday was, so I've got a couple of months left to do this thing. Congress is out of session for all of August. We have two conventions—there's an election on, apparently—and the August recess. Then we have five or six weeks in the fall for clean-up—the bills that didn't get passed, the appropriations, the usual stuff, and then they're gone. They're out in the hustings. So, I don't have a lot of time.

I keep on the wall of my office a picture of Ferdinand Eberstadt. Does this name mean anything to anybody in this room?

Student: National Security Act?

Lowenthal: Thank you! We have a winner. Would you like to go on to the next category?

Student: I'll take my money and go home.

Lowenthal: Oh, you'll never make it big that way! Ferdinand Eberstadt wrote the National Security Act pretty much singlehandedly. I keep his picture on my wall because he got it right, and he got it passed. (When people see the picture they say, "Is that your father?" and I say, "No, it's Ferdinand Eberstadt," and they say, "Huh?" You're one of the few people who has ever recognized the name.) In fact, I said to Ernest May this morning, "One of the things that struck me the other day when I was gazing at Ferdinand is that he got it passed in July of 1947, and there was a Republican Congress and a Democratic President." So there's a lot of precedent on my side if you believe in karma.

But we don't have a lot of time to get this done, and I'm constantly driven by the calendar. I keep thinking about Lord Mountbatten, when he became the last viceroy of India. He had calendars printed up that ran in reverse and said, "100 days to independence, 99 days ... " and each day he would rip one off. I keep this little calendar in my head about this problem. My sense is, though, that if we don't do this now, it's never going to happen. The constellation of people in the Congress and in the executive branch is the right constellation to get this done. If we don't get it to happen, then the community will continue to run on inertia and we will not get the best community possible.

All right, that's my monologue for about 20 minutes. Let me stop here and take questions, comments, or whatever. If I can give you specifics on specific parts, I will.

Student: I was just wondering what were your conclusions on these things? What does the line diagram look like?

Student: Put some meat on those bones.

Lowenthal: All right, you're sworn to secrecy until March 4. Now, we're going to see how good you guys are on leaks.

Student: We're not perfect.

Lowenthal: Aw, forget it! Drawing a wiring diagram doesn't matter much. I guess I'd enhance DCI authority. Everything isn't worth thinking about, which is what I've left to the members. Like I said, this is their bill. They've got to go down to the floor and support it. I've got to write a lot of talking points, but they're the ones who have to get up and make the speeches and do the heavy lifting. It's their job.

We are giving serious thought to two DDCIs. The current DDCI would be the DDCI and would also run the CIA. There would be a second DDCI for community management. The DCI has to remain in control of the CIA and the Community Management Staff and the clandestine service. [Richard] Helms said this most graphically. We had this great opening hearing. I had six former DCIs in a row at the hearing. It was boffo box office! I tried to start with George Bush. I figured, let's have the only DCI who also was President. He didn't want to do it, and Gates refused to come out of his self-imposed exile in Washington. So I had everybody else—all

of them. Why is everyone moaning about Gates?

Student: I don't think we want to get into this.

Student: We worked in the Situation Room when he was the Deputy National Security Advisor.

Student: We heard some talk with words that usually don't appear on TV, so we're not going to repeat it.

Lowenthal: Did you work there when Jon Howe was there?

Student: No.

Lowenthal: Oh, you missed an experience in life. This we'll talk about later. At any rate, I would have liked to have had him there; to get seven out of eight. It would have been terrific.

Anyway, Helms said that the DCI needs to command troops; otherwise, he's irrelevant. It's like the drug czar. Who cares about the drug czar? I don't know what Barry McCaffrey has done wrong in his life that he was made the drug czar, but if this is the reward for being a good SOUTHCOM commander, I missed a bet somewhere here along the line. It's just that he's like the Pope. How many divisions does he have? The answer is zip. So, the DCI has to control something. On the other hand, by having two deputies who are confirmed by the Senate and can handle the two aspects of his life, the DCI has more freedom to move back and forth to concentrate on the two aspects of his job.

Student: The Chairman of the Joint Chiefs of Staff doesn't really command anybody, so ...

Lowenthal: But he now has the right to go to the President and say, "This is what the military thinks," as opposed to saying, "This is what the vote was in the Tank, and I didn't get to vote." That's a big difference. Shalikashvili takes no one with him to see the President. He goes on his own ticket. His authority as the senior military advisor is so much greater.

Oettinger: Before, he was a tool of the constituents. He now has power in his own right even though it is access power, but that's coin of the realm.

Lowenthal: That's right.

So, we're giving serious thought to splitting the clandestine service out of the CIA. The only reason it's in there is an accident, because Bedell Smith was an aggressive and very successful DCI. Nobody else was going to do operations. He said, "I'll do ops, sure," so we ended up with ops. A couple of the panels we had were with reporters, and one of the reporters said, "Let's face it, to most people clandestine is what the agencies are all about," and that's what keeps the DCI up here all the time, when the guys with the black bags screw up. He has to have more direct control over them. So we want to split that out.

We're thinking about merging the technical collectors all together into one group, so we will end this pigs-at-the-trough concept. We'll have one person handling it. We certainly want to merge a lot of the infrastructure. There's no reason why you can't have more common personnel, security policies, ADP (automated data processing), and things like that. I mean, there's just no reason you can't do that.

Student: By technical collectors, you mean ... ?

Lowenthal: IMINT, SIGINT ...

Student: Whoa! You're talking air breather, non-air breather? I don't seem able to put it all together. If you've got clandestine on one side and all technical on the other side, what else is there? Then you've got one big pot in your right hand and kind of a small pot in your left hand.

Lowenthal: Right, but the trouble is that the small pot in the left hand is the one that tends to keep you up at night. You drop the UAV over Bosnia: "Okay, we're sorry." So what? But if someone is caught with his

hand in somebody else's cookie jar there's a big "so what." A NOC (person with non-official cover) gets arrested in Paris and we have this entire *contretemps*, as it were, with the French, whereas if you drop the UAV into Belgrade, "We're sorry; these things happen." It's different. Machines are just not responsible the way people are.

Elevating the director of DIA to be DMI. We're still allowing him to run the DIA for the same reason that the DCI has to run the CIA—he needs troops. But he will be the senior military intelligence official. He will be the program manager for the JMIP, and he will be the coordinator for the TIARA, or what is left of TIARA after we finish with it.

In terms of congressional oversight, either extending or eliminating the term limits on the members so we can have longer-term expertise. We're thinking about whether we want to be a standing committee or not. We do not want a joint committee, or, more to the point, the chairman doesn't want a joint committee.

Those are the basic outlines. Now, there are a lot of details that follow from that, but that's sort of the general legislative package of what we are considering. Like I said, this is not final until you see the chairman do it a week from Monday. It's also going to change on Wednesday morning when we go before the full committee and the members start saying, "What about this and that?" But the basic concept is to have a community that is more corporate, in which the DCI has more authority that matches his functions.

We also want to re-create the Committee on Foreign Intelligence in the NSC (National Security Council), which was a Ford committee. The fascinating thing about the Ford Administration is that in terms of talent and structure it was one of the best executive branches we've ever had. The last Ford cabinet had an incredibly stellar array of people— Bill Coleman, Henry Kissinger, Carla Hills—just a fascinating group, and a really good structure. We want to bring back the Committee on Foreign Intelligence, probably within the NSC because the DCI is under the NSC. The NSC is four people. It's the President, the Vice President, Secretary of Defense, and Secretary of State. These are very busy people. They're stressed. They don't have time to say, "John, do this. John, do that." They're a little too out-of-the-loop for that, and so there's no good body for giving the kind of requirements and feedback that a DCI wants.

Every administration has created something. Our sense is that the Committee on Foreign Intelligence was among the most successful. Our CFI would be chaired by the National Security Advisor, and be composed of the Secretary of Defense, Secretary of State, Chairman of the Joint Chiefs, and the Attorney General for Counterintelligence Issues, and that would be the place where the DCI goes for his regular care and feeding. If the issues can't get resolved, they can kick it upstairs, but at least there's some group of people who, on a more regular basis, can touch base with the DCI. Clearly, the DCI is supposed to see the President. He is the President's intelligence officer. So that's the packet as it exists as of 3:30 and is subject to change. The gentleman in the Black Watch trousers.

Student: Getting back to the NOC detained at Belgrade, what mechanisms exist for recovery of such individuals?

Lowenthal: You lose a NOC? NOCs are out on their own hook. They have no diplomatic cover. You can always find something to trade, I should think. The tough part about being a NOC is that you do not have diplomatic immunity, and you're subject to the laws of the country. Now, countries tend to try to behave civilly about this sort of thing in most instances, not all instances. But the tough part about being a NOC is that you're at a greater risk.

Student: How do you plan to link the programming or budgeting process more closely with actual requirements?

Lowenthal: I anticipated that question. The DDCI/CM, the DDCI for community management, would be responsible for intelligence community requirements, collection, programming, and budgeting. We're going to create this new group. We're go-

ing to take the current NIC, the National Intelligence Council, and just send them into the CIA where they belong, but there is a part of the NIC that we're going to elevate into its own righteousness. We're going to call it the National Intelligence Evaluations Council. This will be the link between the resources and the outcome.

I agree with people who say, "Are the analysts getting the stuff they need? Given the fact that these analysts got the stuff they need, did they answer the mail? Why didn't this happen?" I was taking Professor May through this, and he said, "Well, don't you need something like this?" I said, "Aha! I have such a thing." He said, "You do?" This is important. You need a place to cross between resources and outcome.

One of the things that's fascinating about the intelligence community is that if you asked them how much money are you spending on proliferation, they'd say "I don't know." "How much money are you spending on Russian politics?" "I don't know." They can't tell you. They cannot track issues for you. They can tell you how much they spent on collection. They could tell you how much they spent on a chunk of collection for a specific issue, but if you want to track Iraqi CW (chemical warfare), it's "I don't know, it costs some piece of that." It's amazing. You could not run another enterprise in America on that basis. There is no end-to-end accounting in the intelligence community, and that strikes me as being wrong. You've got to be able to have a better way of matching resources to outcomes.

Oettinger: It's so funny, because on the parallels with Goldwater-Nichols it seems to me you're right on. The Community Management Staff has existed since way back (since Helms) and has been totally impotent and useless because the boss had no budgetary authority. So all of that strikes me as very real. Your comments about it being years between guys who were affected are the same arguments about Goldwater-Nichols—that the Chairman could do this with force of personality. Sometimes it was 30 years between Chairmen who had the force of personality, and then the services went their own way and there was chaos. Again, Goldwater-Nichols sort of straightened that sort of thing out.

But when you talk about end-to-end accountability and so forth, you sort of leave me because it seems to me that it's inherent in the intelligence structure, as it is in operating a phone company or a university or whatever, that so many of the costs are spread around all of those functional areas that all you're going to get is another set of lies instead of the current lies. You'll have to spend a fair amount of accounting money to reinvent another set of dumb boxes and everybody will be unhappy about it because in the last analysis it's carving up the same resources according to bean counter X's scheme instead of bean counter Y's, and what do you accomplish there?

Lowenthal: Some of it is being done for us because the current deputy director for community management, Keith Hall, has tried to institute mission-based budgeting, and my sense is he's starting down the right path. It's just that it stops too soon. But I'm fascinated that you can't get this kind of answer. Certainly, when we're doing intelligence oversight on the budgeting, it's fascinating because we can't get answers to simple questions. You know, "What's your top priority?" We get these sort of long looks.

Student: I'm confused. Whom are you asking what's the top priority?

Lowenthal: You're asking intelligence managers, not policy makers, "What are the top issues you're covering, and how do you know they're your top issues?" and then, "All right, that's your top issue. What part of your resources are going to that?" You can't get that last question answered, and that's disturbing to me because there's an if-then and it's not happening. I'm not a big budget guy. I don't do budgets personally, thank God.

Student: Who falls into the pot of "intelligence manager?" Are you talking about the DIRNSA and ... ?

Lowenthal: DIRNSA, the DCI, the DDCI, the DDI.

Student: I just find that so interesting, because being kind of an underling in it, I can certainly tell you that. I mean, I can't sit here right today and tell you, but I can tell you at some time when I've been in the community where the priority is.

Lowenthal: I can tell you where their priorities are intellectually, and in a macro sense, I can tell you where they are. But if I ask you how you are allocating your resources to that, the conversation runs out of steam.

Student: Yes, it's because there isn't an if-then. So many of the issues are broad, long term, as you know. You mentioned surge before.

Lowenthal: I'm not trying to create an overly rigorous, penny-pinching system here. I would like a system, though, where I'm better able to equate resources to outcomes. One of the things that strikes me about intelligence is the saying in the advertising business (they probably still teach this at the Business School) that 50 percent of your advertising budget is always going to be wasted. You're just never going to know which 50 percent of the budget it is. All right, this is mostly a male audience. How many of you guys, when you read the newspaper in the morning, read the lower half of the paper where the ads are? I know I don't. My wife does. So all the advertising that Woodie's and Macy's and everybody else are putting in this week is lost to me. So they just lost a lot of money there. On the other hand, my wife reads it, so she gets a lot more out of the *Post* in the morning than I do. She reads the articles and she reads the ads.

The same thing is true of intelligence. Some of your intelligence money is always going to be wasted. One of the problems that we have is that we collect more than we can use. You're going to have Mike McConnell here in a couple of weeks, and Mike McConnell has told us that he has had only three problems in life as DIRNSA—processing, processing, and processing. He said, "If I could solve those three, I'd be home free." I'm going to miss him a lot. They're very lucky to get Ken Minihan as the next DIRNSA, but working with Mike has been a pleasure. Mike could sell icebergs in Anchorage. He is the most persuasive man I've ever met in my life. But I'm disturbed by the fact that I really can't judge outcomes by resources. Even knowing that there is waste involved, and that it is not harmful waste, but inevitable waste, bothers me. I think it could be a slightly more rigorous system.

Student: Is it that there are too many fingers in the pot ... too many requesters? That kind of comes back to one of the earlier questions I was asking you. Are you asking for briefings, or are they trying to give you briefings?

Lowenthal: Both. We asked for a China briefing because China's been in the news, and there's been all this proliferation stuff. On the other hand, NSA is coming to tell me something next Tuesday. I forget what it is. I'm not even sure he told me. He did not tell me. It was on an open line. He just said, "There's a briefing I've got to give you." It wasn't Mike, it was one of his legislative guys.

It's a bit of both, but I would like to have a better way of figuring out what we put in and what we get out, knowing that it's never going to be perfect. I don't want perfect. It may not work in the end. But I would still like to have a staff in the IC that says, "This was a big issue, and you guys didn't give it resources until later on," or "Here was an issue where the analysts really used their stuff well. Now why did it work well *here*, and not work *here*?" That just doesn't happen often enough, because in intelligence you're doing too many set battles. When I was in the business, I finished doing Tiananmen Square and the Ayatollah died! Well, he can't do that! I've got a China problem! It happened the same weekend. It was the first weekend I'd had off in 18 months. I mean, that's just not fair. I can't do Iran now. Tell him to hang on for another week, because he's lasted

this long, so what the heck's the problem out there? And then you don't go back and evaluate it because now there's another problem.

Student: Now, that is certainly a problem. It seems like every time some Third World dictator has a heart attack we go ballistic on it.

Lowenthal: And there are a lot of bad hearts ...

Student: Let me ask you two things here. There are some folks out there, not that this is the majority opinion, who don't lay sacrifices down in front of Goldwater-Nichols and say everything is good with respect to competition among the services and things, and generating innovation, and those types of results. How does that impact if we're going to build another Goldwater-Nichols for intelligence?

Lowenthal: The Secretary's morning summary was sometimes the same and sometimes different than what went into PDB (the President's Daily Briefing), because George Shultz's requirements in the morning were different than Ronald Reagan's, just as his requirements were different than Frank Carlucci's. We understood that, and I think that's necessary. But at the same time, if the DCI is responsible for running this thing, then he's got to be able to run it, and it's got to be more than just a community. It's got to be run in some way that has greater coherence. The verticality of the current structure is bothersome to me, and that's why we're trying to create a community that has more cross-cutting.

Oettinger: But your reading in Allard's book will come to one of the reasons this won't go away.* Allard started out writing that book persuaded, because he was an Army guy, that everything ought to be merged with everything else. He persuaded himself about the necessity of services because fighting in the air is not the same as driving on land, it's not the same as on sea, and you need the specialization. That's why I'm glad to hear him say that even though he inveighs against the verticality, I don't think he plans on taking it away.

Lowenthal: One of the things that we talked about doing at one point was that DIA would subsume service intelligence. There'd be DIA and then there'd be Air Force intel, and you'd have Army intel, and you'd have ONI (Office of Naval Intelligence), and you'd have Marine intel embedded within DIA. This is what Clapper would do, for example. You should have seen General Menohero react to this one! Whoa! He's a big guy. I thought he was going to go right through the roof somehow. I haven't told him we're not doing this.

So this is one concept. And as much as I want to limit what these people do, because I think they encroach a lot, I recognize that there are certain things that Air Force intel does that only Air Force intel will do well because Air Force intel requirements are different from Navy, Army, and Marines. So we decided not to embed it, and to keep it there. So there is a need for specialists, but there's also a need to be able to do a lot more collaboration.

Student: It's more than a need for specialists. It's that those big guys sitting inside 495 (the Beltway) don't answer the questions for the guys outside.

Lowenthal: Now, one of the things that is interesting to me about the concept of the NIMA, the National Imagery and Mapping Agency, is that it doesn't go near the JICs (Joint Intelligence Centers) and JACs (Joint Acquisition Centers).

Student: You're right. I don't understand either.

Lowenthal: When you ask why, you get a "Well, because." My father told me when I was very young that that was not an acceptable answer to any question that he was going to ask. It was true then and I've now

* C. Kenneth Allard, *Command, Control, and the Common Defense*. New Haven, CT: Yale University Press, 1990.

passed it on to my daughter. You've just sort of got this gap. I think those JICs work really well. I just went out and saw a whole bunch of CINCs. When we were in the middle of this process, I forgot how many CINCs we went to visit, or who came to Washington and we sort of called them into the office for a discussion, who loved their JICs.

Student: Yes. They are immediately responsive to their needs.

Lowenthal: They say, "Listen, you do what the heck you want to do back in Washington, but don't you touch my JIC; it works for me." I came away saying, "Fine," and we don't go near the JICs. If it's not broken, I'm not going to fix it. We are not reorganizing for reorganization's sake. One of the principles in IC-21 I should have mentioned is that if you're going to make changes like this, it had better be worth the pain.

Oettinger: Yeah, but the interesting thing about the JICs is that they were kind of a quickie accommodation.

Lowenthal: JICs are?

Student: Joint Intelligence Centers.

Lowenthal: Right. At the various CINCs' headquarters. Sorry, we're lapsing into Defensespeak here.

Oettinger: It was an idea that needed implementing for years and years: bringing all of the intels and so on together in one focal point where the commander could have access to it. But, still, each of those people there plugged back into their own home communities, and so, the JIC concept is, in a sense, intellectually independent of the question of where these guys get their stuff from.

Lowenthal: I know the J-2 out at CINCPAC, Jake Jacoby. Some day you're going to have Jake sitting here as the DIRNSA or the DCI. Jake is destined for greatness. He's a terrific guy. (Oh, you want him now?) Jake knows when he's answering a question for the CINC that it had better not be just an ONI answer, because being CINCPAC is like being the viceroy of India. He's got his own Army and his own Navy and his own Air Force. He knows that, depending on what the question is, it better not just be an ONI answer, because it may an Air Force intel question. He's smart enough to figure that out, and his JIC works marvelously. Those are fabulous, and we're not going ruin them. I'm not trying to be promiscuous about it. I've got enough stuff on my agenda. I don't need any more work. This is not like the commander on Wake Island, who asked for more enemies to come. I've got everything I need here.

Student: Sir, I know that the Brown Commission's out there working on something. Here's yours. If I'm John Deutch, I would rather inflict my own plan. Is there any such thing inside the administration, or are they just going to fight you off or ... ?

Lowenthal: I'm going to brief the special assistant to the President for intelligence, Randy Beers, on Tuesday. I'm doing the Stations of the Cross here over the next couple of days. I'm going to do the White House and the State Department and my colleagues in the Senate on Tuesday, and tell them where we're going. This goes back to no surprises. I need all their support. I don't want to piss people off. We're not all going to agree, and there's going to be pulling and tugging before we get to July. Deutch isn't going to like all of it. I know he's against the idea of a DMI. We've discussed it. I know the Aspin-Brown Commission's against the idea of a DMI.

Student: What do they have against it?

Lowenthal: We'll talk about that later. They're not going to agree to all of it. But, when you're doing this sort of thing, you have to be able to step away from personalities, and not say, "How does this affect me as the DCI or the DDI?" but, "How

does this affect the organization?" That's hard to do. This is easy for me to do. I'm not any of these people at this point. I've got a lot of people who are nervous as little kittens worrying about what's going to happen to my little bailiwick. INR hopes that I am going to take care of them, since I am an ex-INR person. On the other hand, they know that they're small and they're fragile, and they're scared.

It's going to be like every other legislative process. There's going to be pulling and tugging. There are going to be people who resist change for the sake of change, and people understand that this may make things better; not perfect, but better. There will be things that won't work right. There's also the law of unintended consequences that will pertain.

I know some of the things that the DCI will oppose. On the other hand, there are things that I think he may gravitate to. I don't know yet. I'm going to brief the DDCI at breakfast on Wednesday before we brief the members. So I'm doing this quick road show thing inside the Beltway. It's starting to get reactions and it's legislation. It's still subject to debate.

Oettinger: As Jim Clapper mentioned last week, during his tenure as director of DIA, he had sort of quietly set himself up as the *de facto* Director of Military Intelligence, again, for the obvious reasons. Somebody has to pull this stuff together. He managed it, once again, by force of personality.

Student: What kind of timetable do you have in mind for bringing these changes about? I know your timetable for getting the legislation done, but if your legislation passes and all this is pretty close to what you have imagined in July, what's the timetable after that for actually implementing the changes?

Lowenthal: Once it's law, it's law. I don't know. We have not actually written the legislation, and we can't write it until the members see it and react. So we have a legislative outline, but I don't have words. I don't know if, when we work out the words, it will say that *this* change will go into effect on *this* date or *this* change will go into effect as soon as the law's enacted. There still will be a DCI the day this is enacted. So that doesn't have to be changed. There will be a DDCI already in place. You have to have a second DDCI nominated. That's legislative detail that we just can't do until the members give us their blessing or make their changes.

Student: Right, but you're also talking about creating a whole new organization for the clandestine service?

Lowenthal: No. We're talking about basically skinning it out: taking the DO and excising it and making it separate.

Student: Taking it out from the CIA?

Lowenthal: It already exists as an entity.

Student: I know, but you're taking one organization and splitting it into two.

Lowenthal: I would not envision physically moving the DO out of Langley; in fact, I don't want to. One of the things that some think works very well at Langley these days is what they call the DI-DO marriage, where they collocate the DI and the DO offices for Europe. I think there's some benefit to that, because it gives the analysts some sense of reality in the field and it gives the operators some sense of what happens to the information when they bring it in. I think that's been a fairly successful program.

It's just that managing those groups at the upper level is different. They're different functions. Managing analysts is different than running operators. I don't want to create a new DO building and move them out of Langley. I'd have another building problem on my hands. Forget that. On the other hand, I want the top management to go through different lines. I want the DCI to be personally responsible for the DO in a way that he is not now—or the way he is but he isn't now, because the DDO, although he has constant access to the DCI,

is actually two or three rungs down the ladder. I want to have them cheek by jowl.

So, I don't have an answer for you. My two lawyers have not come down to the legislative counsel's office and done whatever they do there to make common sense concepts into legal language that none of us can understand.

Student: As far as lumping all the technical intelligence together ... ?

Lowenthal: Let's think about fusing them rather than lumping them.

Student: Okay, fusing them together. Are you talking, then, about having separate organizations? Still having an NRO and NSA and a CIO ... ?

Lowenthal: The NRO is not a collection agency. The NRO builds and launches satellites, and that's all we want them to do. They do that very well. Once the satellite is in orbit, whether it's a SIGINT bird or an IMINT bird, it's handed off to one of these other three people. MASINT is always a problem, because MASINT is both a discipline and a byproduct. It's very hard to parse MASINT.

Within the technical collection agency there'll be a SIGINT group and an IMINT group and a MASINT group. Now in NSA, you know that Ken Minihan is not going to be a happy camper about this. He didn't give up one three-star billet to someone to become a subordinate in somebody else's operation. I know some DCIs have testified against this concept. My sense is that if we're going to get away from the stovepipes that Clapper hates and that I hate, this is the only way to get at it.

What we also want to do is that within this technical collection agency you will have not only those techies, who work their wonders, but also the first-line exploiters—the guys who first receive the data and do something with it. The second- and third-tier exploiters I don't want in that group. I want them sitting by the analysts in DIA and in CIA, so that I have a greater synergy, if you will, between these analysts and other professional collection analysts.

That also allows me to draw a firmer line between what is collection analysis and what is production analysis, because there's a big blurring. There are a lot of people in NSA and in the various imagery communities who say, "We do analysis." Yes, you do, but you do collection analysis, and that's different from what I used to do when I was a strategic forces analyst. We're going to try to make that clearer, because this is fudging up a lot of stuff.

Student: So then you're going to take the National Photographic Interpretation Center and put it under the TECHINT organization?

Lowenthal: Yes, or chunks of it, I would imagine. So chunks of the NIMA concept, for example, would fit into a part of that. They know that the chairman is very agnostic about the concept of NIMA, because it is just a stovepipe, and my sense is that it's just the wrong direction to go in at this point.

Jim Clapper (I don't know if he's responsible for this) says that one of the things that stovepipes produce is smoke. And it's true.

Student: Could you discuss some of the emerging post-Cold War missions?

Lowenthal: No.

Student: Economic intelligence ...

Lowenthal: Oh, God!

Student: Is the general sense of the House up or down on that kind of thing?

Lowenthal: Now I think it's passed its chic. When [Senator David L.] Boren (D-OK) and [Representative Dave] McCurdy (D-OK) were chairmen of the two committees, economic intelligence was having a big heyday, and I was one of these people who kept saying to them, "Well, what is it you're not getting, and what would you do differently if you do get it?" People sort of looked at me blankly and said, "Well, you know ... " Bob Gates got it right when he said, "Nobody wants to die for General

Motors." We should do defensive economic intelligence, but we should not be out there stealing Toyota's next engine plans. I think that's basically right. Economic intelligence will not solve our basic economic problem, which is that we spend more than we take in. That's the Micawber rule about income and expenditures. Dickens solved this one in *David Copperfield.* We purposely, since 1945, have divested ourselves of 50 percent of the world's trade that we owned, because we realized that the world economy wasn't going to run that way. We were successful. It worked. Western Europe stood up and it was successful.

Let me tell you my two favorite anecdotes about economic intelligence and why it doesn't work. When George Bush made that unfortunate trip of his to Japan (the Japanese now have this phrase: *Bushuru,* to do a Bush) he took with him Lee Iacocca and Bob Stempel, who was then the president of GM. So these two guys have a press conference, and they say to Lee Iacocca, "Lee, why don't you make more cars with right-hand drive?" (that's what they do in Japan). Iacocca's response is, "Well, I don't sell enough cars in Japan." Now hold that crystalline thought for just a second, all right? Then they turn to Bob Stempel, "Bob, why don't you have your own marketing distribution network in Japan?" He said, "I don't sell enough cars in Japan."

No amount of intelligence is going to save you from this kind of folly! You've got to stand on the Ginza for three minutes and realize that people don't want to *sit* here. Have you ever been in a left-hand-drive car in a right-hand-drive country? It's exciting! I've done it. No matter what you do to the mirrors, they're wrong. The blind spots are wrong. Your reactions are wrong. When you're sitting in a right-hand drive, you realize that, "Oh, everything's not exactly right. I've got to be careful." When you're sitting here, "Hey, oh oh," it's all wrong again.

All right, now, the other case. Xerox controls 95 percent of the high-end copier market in Japan. They have wiped out Ricoh, Minolta, Toshiba, everybody—took them to the cleaners. When they were building their latest high-end copier, the marketing guys talked to the engineers, which in America is probably a unique experience, as I understand it. They discovered that in Japan ordinary Xerox paper, this stuff that Tony passed out, is heavy paper. This is bond. Japanese everyday paper is really flimsy. You wouldn't know what to do with it in this country. So they ran this through the machine and they discovered that it jammed. All right, now: "We've got three choices, gentlemen. One: we can sell them the machines and sell them a lot of paper." (This is like the arms business: you sell them the airplane and then all the parts and the weapons.) "Two: we can sell them the machine, and they'll use their paper. It'll jam and they'll keep clearing it. Three: we can redesign the machine. What are we going to do, guys?" They go with option three, and the Japanese buy the Xerox copier again.

You don't need economic intelligence! You go to the Ginza, you go to a stationer's, you buy some paper, you put it in the machine, and then realize, "Oh, look at that. Gol durn it!" You don't need the CIA doing this for you! People pay a lot of money across the river to learn this sort of stuff, and none of them are CIA. They're B-School wonks. This is a *bête noire* of mine.

Oettinger: For further details, there is a presentation by our friend Randy Fort in the seminar proceedings from 1993.

Lowenthal: Yes. Randy wrote an excellent study. He was my successor as one of the analytical guys at INR.

Oettinger: Yes. And their thinking is not that far apart.

Lowenthal: We tend to agree about a lot of stuff.

Oettinger: Unfortunately for what has been a really fascinating session, we are reaching the end of the appointed time. I want to thank you very, very, very much. We have a small gift for you.

Lowenthal: Wait. Does this violate the gift rule?

Oettinger: I hope not. It's small literally, which gets within the gift rule, but it is enormous figuratively. So it's a small token of our large appreciation. And if you go to jail, I'll give you the bail money.

Lowenthal: No, you have to get me a job! It's not bail that I'm worried about. Actually, I think this is within the gift rule.

Oettinger: Thank you very, very much.

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