
Strengthening the National Security Interagency Process

JOHN DEUTCH, ARNOLD KANTER, AND
BRENT SCOWCROFT

WITH CHRISTOPHER HORNBERGER

Today we manage our national security affairs according to the National Security Act of 1947.¹ This Act, created from the lessons of World War II, moved the country toward a unified defense establishment, established the Central Intelligence Agency (CIA), and created the National Security Council (NSC) as the framework for an interagency process. This system has served U.S. interests well. It has proven sufficiently flexible to meet successfully the twin challenges of the postwar period: winning the Cold War, while avoiding war with the Soviet Union. In this essay we suggest changes — more evolutionary than revolutionary — that will improve our ability to manage national security in the face of an international environment that differs in key respects from that of the past.

The primary motivation for the establishment of the National Security Council after World War II was the recognition that the nation's foreign policy interests could not be pursued exclusively through the efforts of executive departments acting separately. The importance of joint air, sea, and land operations led to the creation of the Department of Defense to integrate the efforts of the military

1. The enabling legislation consists of the original National Security Act of 1947; the 1949 Amendment to the Act, which created the CIA; the 1958 Defense Reorganization Act; and the 1986 Goldwater-Nichols Act. The United States Information Agency (USIA) was established by the United States Information and Educational Exchange Act of 1948 and the Mutual Educational and Cultural Exchange Act of 1961.

services. Military and diplomatic efforts with both allies and adversaries required coordination between the Departments of State and Defense. Civilian leaders and military commanders had different intelligence requirements that needed to be reconciled. For all these reasons, the President needed a process and a staff to coordinate the efforts of the various agencies on key national security issues.

The principal concern was the Soviet Union, and the procedures that were put into place were tailored largely to deal with the Cold War. As a result, the NSC focused primarily on international politics and on defense and arms control issues and not, for example, on economic security issues. The National Security Act and related legislation, as well as subsequent presidential directives, created sharp distinctions between domestic and foreign activity, and especially between national security and domestic law enforcement. These distinctions reflected deeply rooted public concern about government involvement in domestic matters. Congress wanted to be sure that the CIA did not become a domestic secret police, and that the United States Information Agency (USIA) did not direct propaganda at the American people. With the demise of the NSC's Operations Coordination Board at the end of the Eisenhower administration, the NSC staff focused on policymaking and became less involved in program management and implementation. The Departments of State and Defense, with support from the intelligence community and other agencies, were the primary means by which policy decisions were implemented and programs were executed.

The New Threats

The principal threats of the Cold War may largely have disappeared, but new threats, in new forms, have taken their place. The Soviet Union, with its geopolitical ambition and capability for major conventional conflict, no longer exists. But Russia still has a formidable nuclear arsenal, which is one central reason why its progress toward democracy, a market economy, and responsible international behavior is a major U.S. concern. Similarly, the path that China takes will have a decisive influence on the political, economic, and security climate in Asia. The progress we make in engaging China will determine whether we will live with a degree of stability, or instead enter a dangerous age of regional instability. These are problems that William

Perry and Ashton Carter term our “A-list” concerns, because they have the potential for disastrous conflict.² These are traditional concerns, and if these were the only serious issues we faced, the existing NSC machinery would certainly suffice.

However, an entirely new range of interrelated threats has also appeared,³ including the proliferation of weapons of mass destruction and their means of delivery,⁴ the potential for “catastrophic” terrorism,⁵ and conflict with “rogue” nations such as Iran, Iraq, Libya, and North Korea.⁶ There is an increase in the related threats of globally organized crime, including drugs, money-laundering, and computer intrusion, especially against our vulnerable information infrastructure. In addition, there is a growing number of peacekeeping crises, where U.S. and allied forces may intervene in a country to stop atrocities and restore peace between warring ethnic factions. Post-Cold War examples include Haiti, Bosnia, Kosovo, Rwanda, and East Timor.

These new threats are often accompanied by complex linkages between economic and security issues. For example, we use export controls and sanctions to make it harder for nations or sub-national groups to acquire dual-use technology, deadly weapons (or critical

2. Ashton B. Carter and William J. Perry, *Preventive Defense: A New Security Strategy for America* (Washington, D.C.: Brookings Institution Press, 1999). Perry and Carter also place proliferation of weapons of mass destruction in the “A” category.

3. A good summary is found in Ashton B. Carter, “Adapting U.S. Defense to Future Needs,” *Survival*, Winter 1999–2000, p. 101.

4. See Report of the Commission to Assess the Organization of the Federal Government to Combat the Proliferation of Weapons of Mass Destruction, pursuant to P.L. 293, 104th Congress, Washington, D.C., July 1999.

5. Ashton B. Carter, John Deutch, and Philip Zelikow, “Catastrophic Terrorism,” *Foreign Affairs*, Vol. 77, No. 6 (November–December 1998), pp. 80–96, at p. 80.

6. Unclassified National Intelligence Estimate, “Foreign missile developments and the ballistic missile threat to the United States through 2015,” National Intelligence Council, September 1999; and the Report of the Commission to Assess the Ballistic Missile Threat to the United States (the Rumsfeld Commission), 1998.

components), and the means to deliver them.⁷ Our allies often disagree with us as to the appropriate balance between the commercial benefits from exporting dual-use technology and protecting security. (Export controls are addressed in Chapter 6.) There is disagreement about how or whether to make commercial encryption available for secure electronic commerce. We have sometimes found it difficult to pursue economic policies that advance our security interests, for example in promoting pipelines from the Caspian Sea through Turkey. We face a difficult balancing act in trying to make international economic assistance to Russia contingent on internal reforms, without applying so much pressure that Russian internal order collapses, increasing the likelihood that dangerous technology and weapons of mass destruction will find their way around the world.

These new threats present challenges for the interagency process and NSC structure because a number of distinctions upon which the original system was built can no longer be assumed:

- there is no longer a clear distinction between peace and war, hot or cold; an example is a peacetime intrusion into another country's information network and communication system to collect intelligence that gives the ability to disrupt and attack;
- there is no longer a clear distinction between foreign and domestic matters; an example is combating terrorist groups, which have no national identity and may operate both in the United States and abroad, and may include members who are U.S. citizens;
- there is no longer a clear distinction between "domestic" law enforcement and "national security"; an example is collecting information for a law-enforcement purpose that may have significant national security implications, such as a suspected illegal technology transfer;
- effective action can no longer be anything other than dependent on coalition response; while coalitions were important during the Cold War, they are now an indispensable feature of virtually every peacekeeping operation;

7. "Dual-use technology" refers to technology with both military and commercial applications, such as fermenters that can be used to make either beer or biological warfare agents.

- effective outcomes are now dependent on integration of economic and military measures; an example is the linkage of economic assistance to Russia to improved security of the Russian stockpile of weapons of mass destruction.

The emergence of these new threats, with new characteristics and the changes in world geopolitics they reflect, compel us to ask whether we should alter our national security structure and process to deal effectively with them.

Challenges to the Present NSC Structure

There is no possibility, of course, of constructing a perfect organizational structure, and any new structure would, like the one in place, be a compromise. There may well be more than one acceptable alternative, reflecting differing trade-offs among competing objectives, and we must be able to assess each as to how it might perform.

Many will argue that formal organizational structure is not important, provided one has good leadership: a President and a senior foreign policy team who possess judgment and experience. But leadership, essential as it is, is not sufficient to manage our complex foreign policy enterprise. Those who have participated in the policy formulation process or have managed security programs will attest to the importance that organization plays in facilitating or impeding the conduct of foreign affairs. Presidential leadership, if it is backed by good organization, can be much more effective in pursuing our country's interests than if the President is burdened with an inappropriate organizational structure. As President Eisenhower noted: "Good organization doesn't guarantee success, but bad organization guarantees failure."

It is useful to think of the conduct of government affairs as occurring in three phases: information gathering, decision-making, and implementation. Organization is critical at every stage, but especially in information gathering, i.e., intelligence, and in the implementation of policy and program decisions. Organization is an important determinant in ensuring that relevant information (from both open and clandestine sources) is collected, analyzed, and distributed to the President and senior policymakers in a timely way.

Organization is also vital to policy and program implementation, particularly when implementation takes several years and requires

the expenditure of significant budget dollars. In such circumstances, one key to success is to ensure clear responsibility and authority for resource allocation decisions. Examples where authority is currently unclear include the Cooperative Threat Reduction efforts with Russia, programs to combat proliferation of weapons of mass destruction, and anti-drug programs. If a well-planned enabling organization is not in place, the success of such programs, to say nothing of the time and cost needed to achieve stated objectives, is in doubt.

Effectively dealing with situations arising from the new threats will challenge the existing organizational structure in four major ways. First, the high national priority given to defeating the new threats may conflict with traditional priorities of agencies. They may stumble where there are conflicting and overlapping agency responsibilities, which are especially severe between law enforcement and security, and between domestic and foreign jurisdictions. Second, success often requires coordinated action by several agencies, accompanied by flexible resource allocation. There are substantial organizational, political, and even legal barriers to this happening in a timely manner. A vivid case in point has been peacekeeping, where it has proven difficult to program the economic and civil-assistance resources that are the indispensable complements to military operations. Third, interagency plans supported by multi-year budget commitments are not in place to address critical threats, such as infrastructure protection or homeland defense against weapons of mass destruction.⁸ Fourth, fragmentation of responsibilities for collecting, analyzing, and distributing intelligence means that policymakers do not always receive adequate and timely information about these new threats. Thus, we are ill prepared to deal with these threats — information warfare, use of chemical and biological weapons, infrastructure vulnerability, and peacekeeping — and their likely consequences.

A particularly important shortcoming is the absence of program and budget planning required to harmonize the efforts of various agencies involved in such matters as infrastructure protection, preventing and responding to catastrophic terrorism, and counter-

8. Some steps have been taken. Presidential Decision Directive 62 and PDD 63 issued on May 22, 1998, established a National Coordinator for Security, Infrastructure Protection, and Counter-terrorism, but this official has limited authority and responsibility to address the required cross-agency multi-year program planning.

proliferation. The current process and organization are not capable of carrying out common multi-year program planning for critical inter-agency efforts. The budget is aligned to agencies and traditional line items, and there is little cross-agency analysis or evaluation by the Office of Management and Budget (OMB) of spending on programs that rely on a variety of agencies to address these new threats. Where we need to acquire a new capability — for example, to contain the consequences of possible chemical or biological attack — there is no mechanism to achieve a multi-agency acquisition plan and manage the needed technical effort.

The NSC has had to devote increasing attention to economic instruments of national security: trade sanctions, export controls, Cooperative Threat Reduction, and economic assistance to Russia. However, the NSC has historically not had the expertise adequate to address these economic security issues.

In sum, the strength of the existing NSC system is in reaching policy decisions involving the traditional national security agencies. The weaknesses of the system are that it does not do a good job of transcending the outmoded boundaries between “foreign” and “domestic” agencies, and that it does not do a good job of planning, budgeting, or coordinating programs that require integrated, sustained effort by several agencies. These shortcomings do not necessarily argue for a wholesale overhaul of the system: in several cases, simply establishing clearer responsibility, especially in the interagency context, for taking and implementing decisions would make a big difference. But reliably dealing with such challenges presented by the new threats almost surely will require some changes in the current organizational structure.

Some Different Models

Reorganizing the national security system is not a new idea. Both generic alternative models and numerous specific proposals have been put forward. Many recent studies and commissions have recognized the need for stronger integration of national security matters. For example, the U.S. Commission on National Security in the Twenty-first Century, in its *Phase II Report on Seeking a National Strategy*, states:

All this means that the integrating function of U.S. policy making processes will be challenged as never before. Traditional national security agencies (State, Defense, CIA, NSC staff) will need to work together in new ways, and economic agencies (Treasury, Commerce, U.S. Trade Representative) will need to work more closely with the traditional national security community. In addition, other players — especially Justice and Transportation — will need to be integrated more fully into national security processes. Merely improving the interagency process around present structures may not suffice.⁹

The Phase II Commission report does not make recommendations; Phase III will address changes to the U.S. national security structure and processes to enhance the U.S. government's capability to deal with the new threats. However, several other recent proposals make specific recommendations. One such proposal recommends replacing the NSC staff with a National Security Directorate headed by a new, Senate-confirmed presidential assistant, in place of the National Security Advisor.¹⁰ We believe that, among other problems, this proposal places too much responsibility for executing programs in the White House.

The Commission to Combat Proliferation proposed creation of a new deputy national security advisor for combating proliferation.¹¹ (As will be seen below, our proposal broadens the responsibility of a new deputy to the entire range of new threats.) Former National Security Advisor Anthony Lake advocates creating a new post of Assistant to the President, parallel in authority to the National Security Advisor, with authority direct from the President to address the new threats.¹² All of these proposals seek to give the President greater control over the planning of activities that require concerted action by several executive branch agencies.

Several other conceptual approaches for dealing with the perceived shortcomings of the current system deserve consideration:

9. The U.S. Commission on National Security in the Twenty-first Century, Gary Hart and Warren Rudman, co-chairmen, Phase II, *Report on Seeking a National Strategy*, April 15, 2000, p. 14.

10. Stephen A. Cambone, *A New Structure for National Security Policy Planning* (Washington, D.C.: The CSIS Press, 1998).

11. Commission to Assess the Organization of the Federal Government to Combat the Proliferation of Weapons of Mass Destruction.

12. Anthony Lake, *Six Nightmares: Real Threats in a Dangerous World and How America Can Meet Them* (Boston: Little Brown, forthcoming 2000).

greater centralization, a region-centered structure, and a Department of Homeland Defense.

GREATER CENTRALIZATION

One proposed model is more centralized management, achieved either by formation of a “super department” or a “super NSC staff.” The purpose of the centralization would be to provide stronger direction, better integrated planning, and perhaps implementation across departments. In this regard, it is interesting to note that while all the postwar reforms have successively increased centralization of national security matters, particularly in the DOD, the U.S. system is still less centralized than those of other countries.

Other proposals over the years have included creating a second vice president for foreign affairs or a super cabinet agency.¹³ One approach would greatly strengthen the authority and scope of the Secretary of Defense to include responsibility for execution of critical programs appropriate to the characteristics of the new threats — including their *domestic* dimensions — programs which now flounder because of the absence of an adequate interagency process. The title of Secretary of Defense might thus be changed to Secretary for National Security.

A REGIONAL STRUCTURE

One of the biggest shortcomings in the present structure is the separation between foreign economic and security concerns. Examples where difficulties arise include economic and security assistance, especially to Russia and other states of the former Soviet Union, and export controls. A regional structure would permit a better integration of foreign economic and security interests. It would also help integrate the instruments that are needed to meet today’s peacekeeping challenges, such as in Bosnia and Kosovo.

How might a regional organization be structured? Regional Under Secretaries, “double-hatted” in the Departments of State and Defense, would be designated as responsible for U.S. foreign economic and security policy in a specific geographical region. These individuals would have the authority to integrate instruments and resources that

13. U.S. Senate, Committee on Government Operations, “Staff Report of the Subcommittee on National Policy Machinery,” in Senator Henry M. Jackson, ed., *The National Security Council: Jackson Subcommittee Papers on Policy-Making at the Presidential Level* (New York: Praeger, 1965).

would be provided by the same executive branch departments that now exist. This approach would have the flexibility to maintain stable geographic responsibility or to establish a limited authority to coordinate a crisis region; for example, the President might appoint a Special Coordinator for Balkan Peacekeeping Affairs.

What regions might make sense? A division that parallels the unified military commands would be a good starting point: Western Hemisphere (including SOUTHCOM and the Atlantic region covered by Joint Forces Command); Europe and Africa (EUCOM); Asia (PACCOM); and the Middle East (CENTCOM). Variants with a greater or lesser degree of centralization are also possible; for example, responsibility for Europe and Africa might be separated.

A more radical approach would be to abolish the functionally organized executive departments — State, Defense — in favor of regional departments that contain the diplomatic, economic, and military instruments needed to advance U.S. interests. There is historical precedent for such an approach: in the nineteenth century, the British Empire organized itself along regional lines. A Colonial Office, an India Office, and a Foreign Office each had responsibility for diplomatic, economic and, when necessary, military matters in its area.

A DEPARTMENT OF HOMELAND PROTECTION

An even more radical approach to the problem of conflicting national security and law enforcement objectives would be to create a new agency or executive branch department that would include all functions relating to domestic security that involved foreign threats. This agency would become part of the national security structure, like the Departments of State and Defense and the intelligence community, and its secretary would be a member of the NSC. The Department of Justice would give up its responsibilities for managing domestic security activities and focus exclusively on assuring the protection of the rights of U.S. citizens, prosecuting internal security cases referred to it, and ensuring respect for legal procedures.

The Department of Homeland Protection might include the following agencies:

- the FBI, from Justice;
- the Drug Enforcement Administration, from Justice;
- the Immigration and Naturalization Service, from Justice;

- the Bureau of Alcohol, Tobacco, and Firearms, from Treasury;
- the Customs Bureau, from Treasury;
- the Coast Guard, from Transportation;
- the National Guard, from Defense; and
- the Federal Emergency Management Administration.

The new agency would be granted sufficient resources and expertise to address certain new trans-national threats: infrastructure protection, including information systems; biological and chemical warfare defense; and counter-terrorism, both domestic and foreign. The scope of responsibility would be similar to that encompassed by the ministry of interior in many countries.

As part of this approach, the ambiguity about the legal authority that DOD has to use U.S. military force within the United States to defend against certain kinds of threats, the so-called *posse comitatus* issue, would have to be resolved.

EVALUATING THE MODELS

Each of these alternatives has advantages and disadvantages compared to the current arrangement. The centralization model that would replace the Secretary of Defense with a more powerful "Secretary for National Security" has the advantage of building upon the DOD's proven capacity to plan and implement complex programs. Not only would this proposal improve the effectiveness of these programs over time, but it could do so efficiently, and in a manner that would maintain congressional oversight.

The disadvantages are that DOD has little or no experience with many aspects of the new missions it would assume, such as managing the consequences of a domestic disaster. Second, even though assigning "homeless" missions to the explicit authority of one department could improve implementation, DOD might view these missions as diluting its military focus, and relegate them to a secondary status. Third, the Secretary of Defense already has a complex management job; expanding the scope even more could make the job impossible, and undermine the increased management effectiveness that centralization would presumably provide. Lastly, giving DOD a greater role in domestic security could be seen as a threat to civil liberties: the safeguards established by the Posse Comitatus Act would

likely need revision and, at a minimum, significant procedural safeguards would have to be established. The DOD, however, is the only existing executive branch agency that could carry out the broader responsibilities envisioned.

The second model — moving to a regional organization — would put the focus on where the problems are, rather than on what tools are required to solve them. In this sense, the model is analogous to the DOD's unified combat commands, widely regarded as having increased the effectiveness of the military's joint warfighting capability. A regional organization would "bake in" a functionally integrated approach, fostering greater coordination of diplomatic, military, and economic responses as needed. Its potential benefits notwithstanding, however, one overwhelming disadvantage of the approach is that it is the biggest discontinuity from the present way of doing business; a transition would be difficult, perhaps impossible.

The third model — establishing a Department of Homeland Protection — has the virtue of directly addressing one of the vexing characteristics of the new threats: the increasingly imprecise distinction between national security and law enforcement. The advantage of this approach is that it would place in one new agency all of the functions that bear on internal security, thus providing the best long-term opportunity for dealing with threats posed by catastrophic terrorism and cyber attacks. (However, establishing a Department of Homeland Protection does not resolve the parallel issue of relations between the CIA and FBI outside the United States.) This proposal would remove from the Department of Justice and other executive branch agencies the security functions that are not part of their central mission. In particular, it would permit the Justice Department to focus on perhaps its most important responsibility: ensuring that the rights of individual U.S. citizens are not infringed. This model, however, like the DOD centralization model, has the strong disadvantage that Americans are very suspicious of reorganization proposals that have the potential to change the balance between individual freedoms, such as privacy, and the surveillance and police power of the state. It is therefore unlikely that Congress would be willing to create an agency along the lines envisaged in this approach.

What Should be Done?

In light of the major disadvantages of more radical approaches, as well as the absence of a compelling case that such far-reaching measures are needed to address the problem, we propose a relatively modest change in the present NSC structure. The President should give the NSC greater authority and capacity to carry out planning and coordination — but not implementation — of interagency programs. This is close to the present way of doing business, and that in itself is a considerable advantage. The principal disadvantage of this approach — like several of the alternatives discussed above — is that the arrangement does not closely conform to the organizational principle that policy instruments should be aligned as closely as possible to the main national security threats and objectives. It is a weaker form of centralization and might prove insufficient to achieve the needed interagency program effectiveness. A second potential disadvantage of this approach is that even the modest expansion of NSC responsibilities might argue for greater legislative oversight of the NSC than has historically been the case, or else inappropriately shield program planning and coordination functions that have historically been subject to legislative oversight.

Our suggestions build on the existing strengths and flexibility of the NSC. They continue the historical trend of adapting the NSC process to enable the President to manage and coordinate interagency efforts better. The common thread is that successful response requires the concerted action of many agencies, both traditional security agencies including State, Defense, and Intelligence, and what have heretofore usually been considered “domestic” agencies: Justice, Treasury, Health and Human Services, and Commerce. Accordingly, changes to the process should focus on integrating the traditional “domestic” agencies into the NSC process, and improving interagency action by establishing clearer authority and responsibility for “interagency” issues.

BALANCE NATIONAL SECURITY AND LAW ENFORCEMENT BETTER

First, the President should establish a new interagency process to manage better the tension between national security and law enforcement responsibilities. The Clinton administration assigned

responsibility for responding to terrorism and for infrastructure protection to the Department of Justice (DOJ). There were several reasons for this assignment: many of the threatening activities are U.S. crimes; there is the historical reluctance to have DOD or the military involved in law-enforcement activities in the United States; and the DOD's plate is already quite full.

Responsibility for terrorism and infrastructure protection can remain with the DOJ, but our recommendation is that the Attorney General, in carrying out these responsibilities, give greater weight to national security. Specifically, national security concerns should take precedence over law enforcement concerns with regard to threats to the homeland. In addition, the DOJ effort should be part of the NSC process, and the NSC should be the mechanism for coordinating the government efforts at combating terrorism, infrastructure protection, and domestic consequence management.

The Department of Justice has limited capacity for program management. The DOD is much better able than the DOJ to plan and execute programs that require significant acquisition activity. This suggests that some of the program-management responsibility that has been given to the Department of Justice over the past decade — for example, for information infrastructure protection — should be shifted to the Department of Defense. The FBI should remain significantly involved in these matters but in the first instance as part of the national security process.

The intelligence collection activity of the FBI's National Security Division should be responsive to collection priorities established by the Director of Central Intelligence (DCI); the dissemination of intelligence from FBI sources should be the responsibility of the DCI. Any adjustment of responsibility should not affect the Attorney General's responsibility to ensure that intelligence activities are carried out in a legal manner, and that these activities do not infringe on the rights of American citizens.

INCREASE THE AUTHORITY OF THE DCI

Second, the President should give the Director of Central Intelligence greater authority to accomplish his or her responsibilities effectively. The intelligence community must give the earliest possible warning of imminent threats of terrorism, acquisition or possible use of weapons of mass destruction, and other trans-national threats. To

accomplish this, the intelligence community must have an integrated approach to the collection, processing, exploitation, and distribution of both clandestine and open information. With the explosion of information technologies, the intelligence community faces a shift from its historic priority on technical collection to a priority on processing, validating, analyzing, and communicating information of value to policymakers. (A broader look at these intelligence issues is included in Chapter 4.)

Up to now, the intelligence community has dealt with the new threats by forming Intelligence Community Centers that bring together representatives from all the intelligence agencies. Existing Centers address terrorism, proliferation, and narcotics and crime. However, the Centers have had limited success, because the Director of Central Intelligence lacks the authority to require participation by intelligence agencies in the Center activities and to set collection priorities for all intelligence agencies on these subjects.

The Director of Central Intelligence needs authority in three specific areas. First, the DCI must ensure an integrated collection plan across all disciplines — imagery (space and air), signals, measurements and signature, and human intelligence collection (from both domestic and foreign agencies) — that addresses each element of the new threats. This information should provide the basis for dissemination of community-wide intelligence assessments and warning.

Second, the DCI must have authority to create a community-wide acquisition plan to ensure the development of new technology and the acquisition of new systems for collection and exploitation of information. The expanded NSC process recommended below should approve this integrated plan. Because of DOD's strong program management capability, much of the responsibility for program implementation should be delegated to the DOD. Third, the DCI should have the authority to develop, with the support of the DOD and the FBI, and subject to presidential approval and subsequent congressional notification, plans for covert action to prevent or respond to the new threats. These plans should include peacetime information operations.

In order to carry out these responsibilities, the DCI would need to have greater authority over those aspects of the intelligence budget

that deal with the new threats.¹⁴ For these matters, the DCI's authority should be greatly strengthened for planning, resource allocation, tasking collection, and intelligence production. This would entail a limited shift of responsibility from the Secretary of Defense to the DCI. The shift in responsibility is limited because it applies only to intelligence activities bearing on the new threats and not on intelligence activities that are more immediately relevant to warfighting. It also should be emphasized that this recommendation is not intended to change the relationship between the Secretary of Defense and the DCI in support to military operations. Nevertheless, there will inevitably be some blurred areas, such as protection of deployed forces in peacetime, that would require stronger DOD involvement in intelligence planning. Furthermore, while the DCI's authority for *planning* intelligence activities to address the new threats would be expanded, responsibility for program *execution* would remain with the existing agencies such as the Central Intelligence Agency, the National Security Agency, the Defense Intelligence Agency, and the National Imagery and Mapping Agency. The 1996 Aspin/Brown Commission saw the need for — but did not recommend — such centralization.¹⁵

Many “national” users of intelligence (consumers of intelligence from agencies other than Defense, e.g., State and the NSC staff) would probably favor a move in this direction. This centralization of responsibility under the DCI for intelligence related to the new threats should also be an opportunity to provide more timely and responsive intelligence to the regional military commands (the “CINCs”), since it would give military commands access to information previously difficult for them to obtain. Indeed, if improved support to military operations is not assured, any shift is likely to be strongly opposed by the Pentagon and the cognizant congressional committees.

14. The intelligence budget includes the National Foreign Intelligence Program (NFIP), the General Defense Intelligence Program (GDIP), and Tactical Intelligence and Related Activities (TIARA).

15. The Commission on the Roles and Capabilities of the U.S. Intelligence Community (the Aspin/Brown Commission), *Preparing for the Twenty-first Century: An Appraisal of U.S. Intelligence*, Washington, D.C., March 1996.

STRENGTHEN NSC'S INTERAGENCY ROLE, IN PARTNERSHIP WITH OMB, AGAINST NEW THREATS

Third, the President should strengthen the ability of the NSC to plan, direct, and coordinate interagency programs that build capability for meeting the new range of threats. This activity will involve several agencies — including the Office of Management and Budget (OMB) and “domestic” agencies that do not routinely participate in the NSC process — and often a multi-year effort will be required. The heart of our recommendation is to assign responsibility for the preparation of necessary interagency plans to the NSC, with the active support of OMB. This will be new for the NSC, at least since the 1950s, when the NSC under President Eisenhower had an Operations Coordination Board (OCB). Our proposal differs from the OCB in two important respects: the focus on programs that require coordinated interagency resource allocation, and the partnership with OMB.

To supervise and coordinate this expanded planning and programming function, we propose the creation of a new position at the level of Deputy National Security Advisor. This individual would have the responsibility and authority to run a process that sets interagency program priorities, supported by a small dedicated staff.¹⁶ The multi-year plans would include program outcome, schedule, and cost, thus permitting better presidential control and congressional oversight of these programs so critical to our future national security.

An important part of our proposal is to task the Office of Management and Budget (OMB) to work with this new Deputy National Security Advisor to translate the multi-year program plans into agency budgets. OMB would also be responsible for monitoring agency compliance during the annual budget cycle.

Thus, OMB would be asked to do something quite different from what it does today. Today, OMB's principal resource allocation activities have an “agency” focus: providing budget “targets” to agencies, reviewing agency budget requests, and recommending to the President what should be approved. For the security issues that require multi-agency efforts, we envision a process in which the NSC takes

16. The Clinton administration has taken tentative steps in this direction. A Presidential Directive has created a National Coordinator for Security, Infrastructure Protection, and Counter-terrorism, but the position does not explicitly include responsibility or authority to establish interagency program priorities.

the lead in coordinating the development of multi-agency programs, and OMB has the responsibility for developing the interagency budgets required to implement these programs and for ensuring that the agencies implement the presidentially-approved interagency program. Consideration should also be given to creating a new budget category for these multi-agency programs, similar to the category that covers the atomic energy defense activities of the Departments of Defense and Energy. This would help focus attention on these critical interagency efforts and facilitate oversight by both OMB and Congress.

The new NSC responsibility we propose for integration of agency efforts would not replace the work of the departments: execution of approved programs and operations would remain with the executive branch agencies. Separating responsibility for planning and coordination — to be placed with the NSC and OMB — from the responsibility for program execution, which remains with the agencies, is a compromise, because it would split authority and responsibility for overall outcome. We believe such a compromise is justified, although less than ideal, for two reasons. First, the Executive Office of the President is notoriously poor at program execution and has an overall mission that is incompatible with the kind of congressional oversight appropriate to program implementation.¹⁷ Second, program management competence resides in the agencies. Nevertheless we recognize that this split in accountability between program planning and program outcomes is undesirable.

The new interagency system that we recommend to deal with the new threats would also be capable of addressing what has been a vexing problem with regard to coordinating interagency efforts in peacekeeping. The recommended partnership between the NSC and OMB could more effectively ensure that needed resources were programmed for agencies other than DOD that participate in peacekeeping activity, including State, the Agency for International Development, and the Immigration and Naturalization Service. As the examples of Haiti, Bosnia, Kosovo, and Somalia indicate, a successful peacekeeping effort requires more than military presence; it

17. John Tower, Edmund Muskie, and Brent Scowcroft, *Report of the President's Special Review Board* (The Tower Commission Report), Washington, D.C., February 26, 1987.

also requires some assistance for police, economic assistance, health care, and other matters.

Conclusion

We have focused on changes in the executive branch that will improve our nation's ability to address the new threats. Success will also require that Congress make some corresponding changes to its procedures. For example, Congress traditionally prefers to give money to the DOD rather than to the Department of State or domestic agencies. This means that it is often difficult to obtain funding for an integrated program involving both defense and civilian agency efforts. More fundamentally, congressional oversight is currently organized largely along agency lines. Authorizing committees do not review programs that cut across the responsibilities of several agencies, absent exceptional circumstances. While the appropriations committees have both the power and the practice of taking action to assure that agency efforts conform to congressional guidelines, these actions tend to be *ad hoc* or retroactive responses to perceived shortfalls, rather than the result of assessment of success in achieving planned results. If Congress is not prepared to consider the multi-agency program plans prepared by the new Deputy National Security Advisor as coherent, integrated proposals, then surely these plans will not have the force to drive agency programs.

We hope that this chapter and these recommendations stimulate thought and discussion about what changes the United States should make to better protect the republic and the interests of our citizens in a changing international environment.