

Introduction

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INTELLIGENCE FAILURES prior to the terrorist attacks of September 11, 2001, and the “missing” weapons of mass destruction (WMD) in Iraq have reminded Americans that good intelligence is crucial for national security. Indeed, the report of the National Commission on Terrorist Attacks upon the United States¹ led quickly to the enactment of legislation restructuring the intelligence community, underscoring both the capacity of American citizens to change their most secretive governmental institutions and their appreciation of the importance of the intelligence mission. The families of the victims of September 11 recognized their opportunity to reform the U.S. government’s intelligence service and, remarkably, they did so. At the end of 2004 President George W. Bush signed into law the first strategically significant changes in the American intelligence system since it was created at the end of World War II.²

But if the restructuring accomplished at the end of 2004 is widely regarded as the end of U.S. intelligence reform rather than its beginning, this historic moment will have been misused. Now that the Iraq WMD Commission has reported on how the world’s most sophisticated intelligence system went from the surprise of September 11 to the surprise of Iraq’s missing WMD, reasoned debate on intelligence reform must continue. After all, a new structure for intelligence in Washington does not mean that the process for improved warning, intelligence analysis, and decision making has been fixed.

In fact, some intelligence experts, including former Director of Central Intelligence (DCI) George Tenet, have cautioned that rewiring efforts may actually damage a group of agencies that has had more successes than failures. They argue that failure is a routine hazard of even sound intelligence enterprises and that what is most needed is lower expectations about what U.S. intelligence can be expected to do.³ Caught between the structural changes legislated at the end of 2004 and the argument that intelligence is not broken, national security managers may be inclined to split the difference, implementing the new structure but not correcting much else.

The Meaning of Transformation

Despite the sobriety of arguments to “stay the course” and the comfort offered by bureaucratic redesign, there is a third course worth exploring: transformation of U.S. intelligence

more through practice and policy than through bureaucratic fix. Examining this third way is the purpose of this book. True intelligence transformation fuses wit, creative business practices, and selected technologies for the purpose of achieving strategic advantage. It implies reform—the ability to beat adversaries faster, more efficiently, and with less cost to civil liberties than might otherwise be possible. But its trademark is the marriage of selected technologies with innovative strategies and practices such that revolutionary capabilities emerge. Common and cutting-edge technologies are put to uncommon use; tradecraft and business practices, habits of thought, and technologies are refashioned to gain dramatically new advantages against adversaries.

According to this view, transformation involves less the editing of blueprints for where intelligence officers should sit than the description of what they might best seek to accomplish. In this sense, this volume is a direct response to what the 9/11 Commission identified in its report as “the four principal failures: in imagination, policy, capabilities, and management.”⁴ In the view of the authors, these four areas are the keystones of intelligence transformation, the end result of which should be a system that offers decision makers a capacity for both precise targeting and strategic perspective, a decisive edge for both negotiation and battle, and options for both defensive and offensive countersurprise.

Central Premises

Perhaps the most important premise shared by most authors in this volume is related to the nature of strategic surprise: the next one is unlikely to look like the last. Although both the surprise of September 11 and the surprise of finding no WMD in Iraq suggest that U.S. intelligence needs fixing, efforts to fix it ought not to focus obsessively on past mistakes. The danger in allowing the press’s and public’s attention to rest on what went wrong with intelligence on September 11 is that this catastrophe may ironically end up *limiting* reform and reorganization. Truly transformed intelligence requires forward thinking and creativity about all the issues affecting U.S. security, including the intentions of other great and emerging powers such as China, Russia, and India; the security of energy supplies; the instability in many Islamic nations; weapons proliferation; trafficking in women and children; and the aggressive intentions of rogue or failing states.

It follows that transformation of U.S. intelligence should not necessarily be about jettisoning the old in favor of the new, largely because the core features of international politics have been enduring ones: the existence of states and, unfortunately, conflict among them. States will remain challenging adversaries for the United States in part because transnational groups pose new threats to state structures. Allied states and competitors alike will augment their defenses—often with our assistance—against

common transnational threats. Both may also make accommodations with terrorist adversaries in order to pass threats on to others. States, even allies, are likely in certain circumstances to take positions adversarial to U.S. interests. They are as likely to be important intelligence targets in the future as they have been in the past.

Similarly, transformation cannot be wisely accomplished without reference to the constraints that bound it, in terms of both the international system and domestic culture. For example, U.S. dependence on worldwide information systems means that an attack on an adversary's communications risks damaging one's own. A second constraint concerns those bureaucracies and management tiers that recent reform legislation arguably thickened. Reputable defense analysts have argued that it takes networks to fight nimble networks of terrorists, criminals, or traffickers in nuclear weapons. Given that Washington's bureaucracies are not likely to go away, the question is how they can best be configured to engage in modern international politics and war. Increased centralization and more management layers are unlikely to be the answer.

Of course, Americans have hotly debated one of the most obvious constraints since September 11: the need to reconcile intelligence requirements with the protection of civil liberties. In democracies the state's interest in maximizing power for national security purposes must be balanced with its interest in preserving the public trust. In the U.S. case, this trust requires protection of constitutional freedoms and the American way of life. History teaches us that intelligence practices unsuited either to the temperament of American political culture or to the new threats embedded in the international system will probably trigger more failures, and all too swiftly. Thus national security decision makers face a conundrum: the best intelligence systems involve state secrecy, deception, and clandestine efforts to steal; yet such systems, when turned inward to address foreign threats to vital domestic interests, can threaten the very institutions of democracy and representative government that they were set up to protect in the first place.

Making such constraints on reform explicit underscores a point suggested earlier. Structure—that is to say, the configuration of departments and agencies—may be far less important than policies, practices, and leadership. This premise seems largely validated by the historical record. Those who made remarkable advances during World War II in breaking German codes, in employing radar to counter German missile attacks, or in developing the art of strategic deception, often annoyed their colleagues, bucked bureaucracy, and felt uncomfortably daring in their pursuits. Their behavior transformed intelligence capabilities during World War II and helped secure Allied victory well before the lessons of Pearl Harbor were fully learned or intelligence institutions rebuilt for the cold war. This volume seeks less to prove this point than to accept it as a premise: intelligence policies and practices matter—perhaps decisively so.

The Nature of Intelligence Policy

In the United States, intelligence policy is largely about managing the conundrums involved in gathering and keeping secrets. For example, how does the intelligence establishment earn the trust and cooperation of the American people in its domestic fight against transnational threats while simultaneously expanding intrusive domestic surveillance authorities—including those that now may lead to criminal prosecutions on unrelated matters? As intelligence is transformed, it will have to grapple with some of the hardest questions democracy puts to the national security state: whether, when, and how the government may consort with criminals, influence elections, listen in on private conversations, eliminate adversaries, withhold information from the public or, alternatively, release it at some cost to the sources and methods used to collect it.

Intelligence policy also concerns how priorities for intelligence collection and analysis are set, with whom the results will be shared, and how the process will be funded. It describes who has authority for declassifying secrets or sharing them, what kinds of cover may be used by intelligence officers, and how covert action proposals are vetted within the government.

Intelligence policy also guides how the intelligence process is managed. For example, it may regulate how intelligence may be released and by whom. Intelligence policy is, therefore, not the exclusive domain of the intelligence professional. It involves decisions about risk versus gain, the adjustment of means to ends, embedding innovation within proven tradecraft, and questions of public tolerance. In fact, decisions about how intelligence policy will be formulated and who will be responsible for it determine, in large measure, whether a given set of intelligence institutions and the democratic system it serves can safely and productively coexist.

Many significant challenges facing the U.S. intelligence community are issues of policy and practice that predate September 11 and have quietly persisted, such as:

- How to reconcile “need-to-know” security procedures with faster-paced, decentralized, and networked decision making;
- How rapidly to identify new decision makers needing intelligence support when urgent issues or crises arise, and how to ensure that dissemination systems are available to reach them (a particular problem now with respect to first responders such as fire, police, and medical authorities at the state and local levels);
- How to ensure that closer analytic support for clandestine collection and covert action programs does not lead to biased analysis of the prospects for those programs—whether they are run by the military or by the Central Intelligence Agency (CIA);
- Whether to integrate to a greater extent unclassified sources and Internet tools into traditional business practices and, if so, how to protect them from corruption;

- How to penetrate terrorist organizations to collect actionable intelligence without excessive involvement in them;
- How to upgrade strategic support for national security decision makers while simultaneously satisfying the intelligence needs of a growing number of tactical operators in the field;
- How to coordinate U.S. intelligence capabilities when important resources, such as the availability of U.S. government facilities overseas, lie outside the control of an intelligence chief or beyond the purview of intelligence budgeting and oversight committees in Congress;
- How to satisfy national security decision makers' current priorities while simultaneously meeting the requirement to warn—that is, to alert clients to impending disasters that require the *reordering* of their priorities;
- How to retain the efficiencies and accountability associated with the various collection agencies while overcoming the problems associated with bureaucratic culture, stovepipes, and turf consciousness.

One might reasonably suppose that changing intelligence policies is no harder than legislating changes in budgets or institutions. If policy is regulation, then strong leaders should be able to change them relatively quickly.

However, long-standing policies both reflect and engender practices that may be deeply ingrained. Intelligence practice often entails art—what is sometimes called “craft” or “strategy,” depending on the discipline.⁵ “Art,” in turn, requires skill and develops out of standard procedures and even habits of thought about what works and doesn't work in the pursuit of one's objectives. These “rules” may be deeply embedded in agency cultures that have long histories and may include, for example, the “scientific” way evidence is gathered to support analytic judgments, or the extent to which overseas ambassadors depend on the CIA, the Bureau of Diplomatic Security, or the State Department's Bureau of Intelligence and Research for their intelligence support. Such standard practices sometimes reflect “habits of thought” that determine how things are done even if no regulation, law, or rule exists to enforce them.

If transformation imperils many of these past policies and practices, and it often does, then to be useful it must offer up workable new ones. Identifying deleterious practices and then suggesting ways to amend them is far more difficult than legislating structural change, partly because it takes “insiders” to really know and understand such faults. Integral to this book's purpose is an exploration of what an intelligence transformation should entail in terms of practical and constructive policies and practices that will be the profession's responsibility to adopt. Doing so will take time and will require patience and perseverance.

The Art of the Possible, Not the Perfect

Transformation of U.S. intelligence is an ambitious but appropriate goal at this time for several reasons. First, the international system, for all its enduring features, has changed dramatically since the end of the cold war as a result of the breakup of the Soviet Union, the rise of transnational threats to U.S. security, the impact of global economic investment and decision making, and the consequences of the information revolution. When changes of this magnitude occur, governments are tested in their relative abilities to monitor developments and act decisively in the national defense and diplomatic arenas. The U.S. government has begun the adaptation process. Over the past decade, the Pentagon has made military transformation an urgent priority in order to prepare for new adversaries, work with unfamiliar allies on unfamiliar terrain, apply rapidly changing technologies, and operate at a faster tempo.

The intelligence community is also making significant efforts to adapt to the new requirements of military modernization, changing communications architectures, rapidly evolving commercial imagery markets, and the rise of transnational threats. Terrorism prompted the 9/11 Commission to recommend greater centralization of authority—a proposal that has now been turned into a statutory requirement. The new leadership of the U.S. intelligence community is engaged in a government-wide effort to modernize the intelligence business. Just as modern war requires joint improvement of all services in a single enterprise, so intelligence must go beyond modernization within each agency to transformation of the whole. This volume seeks to support the newly appointed director of national intelligence in this mission of transformative change.

Second, the political context for intelligence transformation is propitious precisely because significant success has accompanied significant failure. The intelligence failure of Pearl Harbor combined with the intelligence successes of World War II provided the impetus and political will President Truman needed to create the CIA and the position of director of central intelligence in 1947. The stunning achievements of signals intelligence and covert operations against Germany and Japan convinced President Truman, Secretary of War Henry Stimson, and others that U.S. intelligence capabilities were so important that they required significant re-engineering. Similarly, today's successes against much of the leadership of al-Qaeda indicate that intelligence remains vital; they do not mean that intelligence is where it needs to be for the decades ahead. The question is whether there are ways to do the job of intelligence *significantly better* and whether we can implement those improvements before the political will to do so is lost.

Third, slow reform of foreign intelligence practices would be inconsistent with the dramatic changes under way in domestic intelligence. The U.S. government has created the Department of Homeland Security, the Northern Command, and, most recently, the National Counter Terrorism Center, three large new endeavors to protect the homeland

through the use of national intelligence. If September 11 demonstrated that domestic and foreign intelligence must be linked, how can significant change in the U.S. intelligence business not be in store? U.S. citizens have been willing to accept much greater domestic surveillance, unexplained incarcerations, and significant inconvenience at airports because the government has suggested that, with such measures, intelligence collection and warning can be significantly improved. If this is true, then the U.S. intelligence system must make meaningful progress in handling significant new volumes of domestic intelligence for use at the local as well as the federal level. Old business practices will have to be transformed, or new tools for intelligence collection, including the new bureaucratic arrangements legislated in 2004, will not result in new capabilities to warn.

Although these arguments for the timeliness of intelligence transformation have much merit, they also suggest that workable proposals will be shaped by the times. Some intelligence experts have argued that the legislation signed into law in 2004 is deeply flawed. This may be true. The changes that this legislation requires, however, are the product of extensive debate and messy compromises, and this, simply put, is how representative democracies get things done. It is a beginning on which the U.S. government can and must build.

The Structure of the Book

The book is divided into three sections: new requirements, new capabilities, and management challenges. This structure reflects the nature of transformation, which requires, first, an understanding of U.S. national interests and the government's strategy for defending them; second, consideration of how technologies can be applied and policies modified to generate capabilities that significantly improve performance; and third, management practices that maximize the chances that improved capabilities will be applied in practice. The volume ends with a conclusion that draws together common themes and the study's most significant findings.

The authors are "insiders" in the sense that they have served in intelligence agencies, relevant parts of the State or Defense Department, and on the staffs of congressional oversight committees. Their experience as insiders has not blinded them to the need for change in intelligence programs, procedures, and policies; in fact, it has made them more acutely informed and determined to promote the kind of transformation that will enhance the security of the nation.

Although the book strives to be as comprehensive as possible, the topic is impossible to cover completely in a single volume. Inevitably some issues of pressing concern to intelligence professionals or theorists have been left out. However, the book does incorporate what, in the editors' view, are the most urgent issues of the day. The hope is that national debate on intelligence policies and reorganization will be enriched as a result.

Notes

1. Also known as the 9/11 Commission, the shortened name used throughout this volume.
2. In 1947 President Truman signed the National Security Act, thereby creating a centralized intelligence service and the position of director of central intelligence to oversee it.
3. See Paul R. Pillar, "Intelligence," in *Attacking Terrorism: Elements of a Grand Strategy*, ed. Audrey Kurth Cronin and James M. Ludes (Washington, D.C.: Georgetown University Press, 2004), 115–39.
4. National Commission on Terrorist Attacks upon the United States, *The 9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks upon the United States* (New York: W. W. Norton, 2004), 339.
5. Although political scientists may be uncomfortable with the notion that art, as opposed to science, shapes business practice, the distinction is crucial. In intelligence, intuition, finesse, style, and imagination must coexist with discipline. This is true in the realm of human intelligence as well as in photoanalysis, cryptanalysis, and the best Foreign Service reporting.