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NATIONAL SECURITY AGENCY
CENTRAL SECURITY SERVICE
FORT GEORGE G. MEADE, MARYLAND 20755

Serial: N0431
14 April 1977

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MEMORANDUM FOR THE PRINCIPAL DEPUTY ASSISTANT SECRETARY OF DEFENSE (COMMAND, CONTROL COMMUNICATIONS AND INTELLIGENCE)

SUBJECT: PRM-11 Task 3

The inclosures to this memorandum contain our comments that you requested on 11 April on the two items relating to work underway by the National Security Council staff on PRM-11, Task 3. Our response is in the format of the questions that you provided us.

Norman Boardman
for

JOHN R. HARNEY
Assistant Director, NSA/CSS
for
Policy and Liaison

Incls:
1. CCP
2. Intelligence Community Staff

DECLASSIFY UPON REMOVAL OF INCLOSURE

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YBNU

POL

2. CCP

a. NSA (independent or controlled entity?)

1. NSA should continue as a separately organized Agency within the Defense Department with the Director reporting directly to the Secretary/Deputy Secretary. Staff support and guidance should be provided by the appropriate functional elements of DoD as regards matters relating to funding and other aspects of management. The Director of NSA should continue to provide for the SIGINT mission of the United States by maintaining a unified organization and controlling all SIGINT collection and processing activities of the United States, and producing SIGINT in accordance with the objectives, requirements and priorities established by the DCI with the advice of the NFIB. He should also continue to be the principal SIGINT adviser to the Secretary of Defense, the Director of Central Intelligence, and the Joint Chiefs of Staff. Although not a part of the CCP, the COMSEC (non-intelligence) mission of the NSA must be a consideration integral to any discussion of the position of NSA within the Government.

2. NSA was established by Presidential Memorandum in 1952 in order to consolidate management responsibilities for all Communications Intelligence activities of the United States into a unitary operation within a single management structure. Responsibility for Electronics Intelligence was subsequently added. The high technology currently involved and the complex interrelationships which exist today among the various elements of the SIGINT system reinforce the philosophy which led to the creation of an NSA 25 years ago. The unique nature of SIGINT and its great value to the security of the United States make it imperative that the entire system continue to be managed centrally as a unit, and that fragmentation not occur as a result of any intelligence reorganization.

Classified by DIRNSA/CHCSS (NSA/CSSM 123-2)
Exempt from GDS, EO 11652, Cat 2
Declassify Upon Notification by the Originator

Incl 1

b. Who provides policy for management and policy priorities - DIRNSA, SECDEF, ~~ASD(I)~~, ICS, CFI?

The DCI issues intelligence objectives, requirements and priorities to guide U.S. SIGINT activities; reviews program budget data; establishes policy for SIGINT arrangements with foreign governments; and establishes policy for security protection of SIGINT. The DCI provides policy and priorities for intelligence matters.

By NSC Directives the SecDef is the executive agent of the U.S. Government for the conduct of SIGINT activities (and for COMSEC) and he is charged with the direction, supervision, funding, maintenance and operation of the NSA. He provides policy for management.

The DIRNSA translates the broader direction and guidance from the DCI and SecDef into specific detailed direction to the U.S. SIGINT system. He produces SIGINT in response to stated requirements, manages the CCP, conducts SIGINT arrangements with those foreign governments designated by the DCI, and directs the security of SIGINT collection and processing.

c. Who judges performance - SECDEF, PRC(I), ~~ASD(I)~~?

SECDEF judges NSA performance in a management sense. Performance evaluation with respect to SIGINT product is the responsibility of the DCI. This evaluation must be treated in terms of the stated information requirements and the timeliness and substance of the response. A semi-annual NSC review encompassing the performance of the DCI and the intelligence community might in the final sense be considered the highest level procedural review.

d. Who provides collection requirements?

SIGINT information requirements of all customers are prioritized and levied on the Director, NSA through the DCI/NFIB National SIGINT Requirements System (NSRS). Within this framework the various SIGINT customers maintain direct liaison with NSA regarding the interpretation and amplification of SIGINT collection requirements and priorities. Provision is made for the U&S Commands and the MILDEPTS to levy time-sensitive SIGINT requirements upon NSA while simultaneously informing DIA and the DCI (SIGINT Committee). NSA upon receipt of levied requirements translates them into SIGINT tasking assignments determining the units and resources best suited and equipped to satisfy the assigned collection requirements within to U.S. SIGINT system.

e. What should be the relationship of NSA and SCA's? In terms of guidance, resources and management?

1. The NSA-SCA relationship must be based upon the single manager concept of the U.S. SIGINT system. All Military Service SIGINT assets and resources must be included and form a part of the USSS. To this end Service SIGINT activities must be so controlled and managed as can best achieve national objectives and priorities as well as provide the intelligence information requirements of the military commander. Accordingly, the Director, NSA, exercises SIGINT operational control over all Military SIGINT activities. As the operational situation warrants and as is considered appropriate to meet the military commander's requirements, the Director, NSA, in considering all of the SIGINT assets available, delegates SIGINT operational tasking authority of direct support units to the supported commander. The military commander then levies requirements directly on the direct support units. This delegation of SIGINT operational tasking authority is appropriate for Program II direct support resources which have been made available through service channels to a commander. Military commands supported in this fashion also continue to receive the full flow of relevant product available from the global SIGINT system.

2. Direct support resources are generally funded in Program II. In order to provide effective SIGINT support to the military commander NSA-SCA management interaction regarding Program II direct support resources is a continual one from initial analysis of the signals environment to mutual systems planning. Program II resources are formally reviewed and addressed in the annual CCP submission.

3. This arrangement for the delegation of SIGINT operational tasking authority has provided for the maintenance of a centrally managed, unitary SIGINT system while allowing for satisfaction of the unique needs of military commanders through the incorporation of SIGINT assets into their force structures.

4. The SCAs under the SIGINT Operational Control of NSA and under the military command of their parent service, manage subordinate units in order to insure proper application of resources to accomplish SIGINT operational tasks assigned by the Director, NSA. This arrangement has worked well and is critical to ensure the continued efficient operation of the total SIGINT system. Similarly, the central management functions performed by the Director, NSA for NSA and for all SIGINT R&D matters including that R&D in support of Program II SIGINT resources, should continue to be performed by the Director, NSA. The Director, NSA, must also retain technical control over all SIGINT assets authorized within the Government.

C. Intelligence Community Staff

1. How does ICS perform on NFIP

a. "Control" of NFIP budget preparation and resource allocation.

The NSA Budget is submitted to Congress as part of the DoD submission. The procedures employed are those of the DoD, and the resultant appropriation is a Defense Agency appropriation. While the IC Staff certainly influences the budget resource allocations, it does not "control" the process at the present time. For the most part, the DCI and the IC Staff issue Program preparation guidance such as the NFIP Resource Guidance, FY 1979-1983, dated 19 Jan 1977, which states in broad general areas the Program Thrust desired, as well as more specific guidance on selected topics. Thereafter the ASD(C^3I) issues the Intelligence Annex to the Secretary of Defense's Planning and Programming Guidance which provides specific guidance, identifies issues and formulates resource goals. This DoD intelligence Annex is consistent with and amplifies the NFIP guidance prepared by the IC Staff.

b. "CFI Staff" during annual program and budget review cycle.

With regard to the CCP, the IC Staff maintains an overview of the on-going program and budget building activities, but does not enter the process until after the Program Manager has approved and submitted his program or budget. Along with ASD(C^3I) it participates in all working reviews designed to explain the nature of the program submission. The IC Staff prepares recommendations on issues it selects, which are then submitted to the PRC(I) before being forwarded to SecDef.

c. Recommendations on Program and Budget issues requiring CFI decisions.

As in "b" above, the IC Staff is a working arm of the DCI, who as Chairman of the PRC(I), needs a staff to help him isolate, cost out, and decide alternatives. The IC Staff does this by maintaining a cognizance of program and budget activities, including recommendations for reprogramming of funds beyond certain thresholds (e.g., $2M for R&D).

Encl 2

d. IC compliance with NSC policy directives.

As the working arm of the DCI, we would expect the IC Staff to concern itself with compliance with applicable NSC directives throughout the intelligence community.

e. Supporting materials for DCI and CFI at NSC semi-annual reviews and CFI meetings.

NSA has seen very few of the papers prepared by the IC Staff in support of the DCI and therefore we are not in a position to comment.

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14 April 1977

cc: DIR
D/DIR
DDC
DDF
DDO
DDR
ADLA
ADPL
ADPR
NCRDEF
EXEC/DDO
EX REG
D4
D5, Mr. Gaddy
N1, Mr. Grande
N2, Mr. Mongeon
S01, Mr. White
V, Mr. Lord
R04

M/R: Questions forwarded by Mr. Latimer on 11 April 1977 originated at a meeting chaired by David Aaron on 8 April. They are part of a larger set of questions which the DCI, DoD and others are addressing. Mr. Latimer at the request of Mr. McGiffert is pulling together the DoD comments.

Concurrence was accomplished as indicated:

DDF, General McFadden
DDO, Mr, Drake
ADLA, Mr. Burke
NCRDEF, Mr. Rich
D5, Mr. Gaddy
N2, Mr. Noth
R04, Mr. Nagle
S01, Mr. White
V, Mr. Rudolph

Approved by General Allen

James D. Smith

James D. Smith, D4, 3985s, 14 Apr 77, cg