



President George W. Bush (center) signs the Intelligence Reform and Terrorism Prevention Act, December 17, 2004. (White House photo by Paul Morse)

## Intelligence Reform: If We Didn't Do It Then, We'd Have To Do It Now

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### Early Ideas

Efforts to reform the Intelligence Community are almost as old as the IC itself. Established in Congressional legislation in 1947 and 1949, by the 1950s there were already public and private discussions of various reform measures. These included the creation of a director of national intelligence. The idea first surfaced in the Eisenhower administration: a director of national intelligence who would not also be director of the CIA and would be devoted to coordinating, integrating, and directing the intelligence community. But as Philip Zelikow has written in his excellent account of the historical evolution of intelligence reform, the idea never caught on and fell away in the 1960s and 1970s. Instead, successive administrations addressed the issue by making incremental additions to the authority of the director of central intelligence to manage the IC while also serving as director of the CIA.<sup>a</sup>

### Renewed Momentum

The DNI concept reemerged in the 1990s, reflecting renewed momentum for intelligence reform that built up over at least a decade

before the report of the National Commission on Terrorist Attacks Upon the United States (the 9/11 Commission) in July 2004. The idea of a DNI was, for example, a hot topic during the late 1990s within the National Security Advisory Panel, which was chaired by former Vice Chairman of the Joint Chiefs of Staff ADM David Jeremiah and reported to DCI George Tenet. Several members of the panel argued that the DCI could not both coordinate the various elements of the IC and run the CIA at the same time. One of the roles had to suffer, and in almost every instance it was the role of coordinator of the IC.<sup>b</sup> The idea that the two roles needed to be separated was very much in play by the time it was picked up in the 9/11 Commission report.

Indeed, in one of his first presidential directives, on May 9, 2001, President George W. Bush issued National Security Presidential Directive-5 calling for a study of the organization of the IC. The review had an internal component, pursued within the IC itself (led by Joan Dempsey, Tenet's deputy for community management), and an external component, pursued by an outside team led by ADM Jeremiah and Brent Scowcroft

(who had served as the national security advisor under Presidents Gerald R. Ford and George H.W. Bush).

The external component never issued a final report, but it did develop a working paper that called for separating the job of DCI (as the IC coordinator) from the job of running the CIA and strengthening the authority of the DCI to perform the coordinating function.<sup>c</sup> This idea was briefed by Scowcroft and Jeremiah throughout the Bush administration in early 2002, including to Vice President Richard Cheney and the NSC.

Immediately thereafter, the idea was picked up and pursued by the reconstituted President's Foreign Intelligence Advisory Board.<sup>d</sup> Chaired by Scowcroft (and with a membership that included ADM Jeremiah and Philip Zelikow), over the course of 2002 the PFIAB finalized a report on intelligence reform. It recommended that the the DNI would "provide higher-level management of national collection systems, allocate resources to meet challenging priorities within and beyond the US, and foster community-wide innovation and better R&D ...."<sup>e</sup> The PFIAB report, as well as the earlier NSPD-5

a. Philip Zelikow, "The Evolution of Intelligence Reform, 2002-2004," *Studies in Intelligence* 56, No. 3 (September 2012), 2-5.

b. Stephen Hadley served on the NSAP.

c. Zelikow, 6-7.

d. "Foreign" was dropped from the name in 2008.

e. Zelikow, 8-12.

process, helped prepare the way for Bush administration’s acceptance of the idea of a DNI as it emerged from the 9/11 Commission report.

The Bush NSC staff, including National Security Advisor Condoleezza Rice, supported the creation of a DNI. Their collective view was that historically the DCI was so occupied with leading the CIA that the DCI was not performing the coordinating function and was not knitting together the various elements of the IC into a single enterprise.

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## Addressing Dysfunction

This situation resulted in a variety of dysfunctions within the IC. First, as the tragedy of 9/11 revealed, IC agencies were in silos, each operating within its own domain. There was too little sharing of information among the various foreign intelligence agencies. And for policy, privacy, and civil liberties reasons, a wall had been erected between the foreign intelligence agencies like the CIA and domestic law enforcement agencies like the FBI. There was virtually no sharing of information across the domestic-foreign divide, especially when it came to transnational threats like terrorism and proliferation. This resulted, for example, in the failure to “connect the dots” and pull together all the available intelligence on the activities of the 9/11 plotters.

Second, as revealed by both 9/11 and the intelligence failure associated with the issue of weapons of mass destruction in Iraq, the views of the non-CIA intelligence agencies were either not being presented—or not being given adequate weight—in IC products. These products, like the President’s Daily Brief, reach the seniormost levels of the executive branch. This meant that these inputs were also missing from the interagency policy process that used intelligence products as the basis for developing policy options and recommendations to the president. In the case of Iraq WMD, this resulted in an overestimation of Saddam Hussein’s biological weapons capability and the extent of his nuclear weapons program.

Third, there was no natural home for cross-agency collaboration on transnational issues. The effort to deal with these transnational threats resulted over time in the creation of institutions like the Terrorist Threat Integration Center, the National Counterterrorism Center, and the National Counterproliferation Center.

The NSC staff view was that the elements of the IC were unable to reform themselves and address these dysfunctions without some oversight and prod from above—something that so far had been lacking. The DNI seemed a reasonable way to address this problem, combined with clear guidance and

direction from the president. As for the various collaborative entities required to deal with transnational challenges, the Office of the Director of National Intelligence seemed a good place for these entities to reside and avoid “capture” by any one intelligence agency.

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## IRTPA’s Impact

The Intelligence Reform and Terrorism Prevention Act signed into law by President George W. Bush on December 17, 2004, gave the DNI several important authorities. Because it is an article of faith in Washington, DC, that “real power” flows from the authority to move money and to hire and fire government personnel, the IRTPA created a DNI that was the head of the IC—and principal intelligence adviser to the president—and had the power to “determine” the budget of the IC and some limited power to transfer money to emerging needs. But IRTPA did not give the DNI full authority over the budgets of the individual intelligence agencies. The DNI had the power to consult, recommend, and advocate, but final budget authority remained with the heads of the departments and agencies to which the elements of the intelligence community directly reported. The DNI had real budgetary authority only over ODNI itself. This remains a live issue in the calls from some quarters for further IC reform.

## Reform: If Not Then, Now

Similarly, the DNI was not given ultimate hire-and-fire authority over IC personnel. The DNI did receive authority to create joint-duty programs within the IC to encourage cross-pollination among the workforces of the various intelligence agencies. DNI Mike McConnell went even further in his tenure during President George W. Bush's second term to encourage and facilitate intelligence analysts serving in policy positions on the NSC staff and in other departments and agencies. In these roles they were to work as policy people rather than intelligence analysts, thereby giving them a sense of the perspectives and needs of the policy community. DCIA Michael Hayden has said that the time he spent in such a position on the NSC staff during the George H.W. Bush administration was one of his most useful assignments in making him better able to support the policy community when he returned to his intelligence role.

The DNI received authority to create intelligence centers that would bring together experts from different intelligence agencies to encourage a broader perspective and greater analytic rigor in intelligence products. The DNI also received authority to “knock down stovepipes” to foster better information sharing among the elements of the community.

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## What Next?

Although it has had its critics, the IRTPA was a major step forward in intelligence reform. If the nation had not taken that step at the time, changes in the nature of intelligence would have forced similar reforms on the IC today. Indeed, some of these changes cry out for further intelligence reform.

### *Open Source*

The explosion of unclassified open-source information represents an opportunity but also a challenge for an IC that still tends to prioritize the information it has been able to steal or otherwise acquire from clandestine sources and technical means. That said, the CIA in particular has taken great steps to exploit these open sources and incorporate the information they provide into the agency's intelligence products. But today, the volume of information is overwhelming and hard to manage and exploit. There is an opportunity here for judicious use of artificial intelligence to help handle this problem. The objective needs to be for the intelligence community to provide its customers with the information they need to make wise policy decisions whether that information comes from open or classified sources.

### *Liaison Relationships*

A related problem is how to exploit and incorporate information and intelligence provided from

the intelligent services of other nations. These national capacities have grown in size and sophistication, and in some cases are better positioned to acquire critical information and intelligence than US intelligence assets and agencies. But it requires work to maintain these liaison relationships and to maintain the level of trust required for these foreign intelligence services to be willing to share with the US IC. The spate of leaks out of the IC in recent years has not helped in this regard.

### *Globalization*

Finally, the last several decades have seen an explosion of nongovernmental actors in the international arena whether it be corporations, humanitarian organizations, universities, charitable foundations, or the like. These actors can also be a source of critical information and intelligence particularly in some areas of the world that are hard for the IC to cover. There is concern among many of these organizations, however, about compromising their security, the safety of their personnel, or their ability to perform their missions if they are seen to be cooperating with the IC. Understandings and protocols need to be developed to reassure these organizations and enable the kind of information sharing that would be useful to the intelligence agencies.

### *Empowering the DNI*

As detailed in *Blinking Red*, a unique confluence of circumstances

produced IRTPA.<sup>a</sup> It still was very difficult to implement these reforms, however, given formidable jurisdictional issues between departments, agencies, and Congressional committees. Those issues remain unresolved. Recent events have further complicated matters by raising questions in some quarters within the Congress and the American public about the integrity and competence of the IC. Finally, efforts to give the DNI full budgetary and hiring and firing authority will face the same arguments and

bureaucratic resistance that defeated these efforts 20 years ago.

For this reason, any new legislative intelligence reform effort is unlikely to succeed absent a major national security crisis or intelligence failure. Probably the best way to enhance the clout and authority of the DNI would be a shot in the arm from the president. Power in the executive branch flows from actual or perceived White House backing. If the president were visibly to embrace the

leadership role of the DNI as the head of the IC, assign specific tasks to the DNI, and make it clear that the Office of Management and Budget and the president would give great weight to recommendations from the DNI on budgetary and personnel matters, this could have an enormous effect toward enhancing the ability of the DNI to ensure the IC acts more like a cohesive body than a confederation of independent agencies. ■

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## John McLaughlin on the Genesis of the ODNI and IRTPA

As the 9/11 Commission was moving through its deliberations (November 2002–August 2004),<sup>b</sup> I was serving as the deputy director of central intelligence at CIA. Well before it wrapped up, I met with Phil Zelikow, the commission's executive director. In our discussion, it became clear the commission was trending toward, and probably had foreordained, recommending the creation of a director of national intelligence (this was then more commonly called a national intelligence director, but for clarity I use the acronym DNI). I recall saying something to the effect that this would not be necessary if Congress simply strengthened the powers of the DCI. Zelikow did not think that would be sufficient.

Throughout the spring and summer of 2004, I attended meetings in the White House Situation Room with representatives from most of the national security agencies to discuss the issue of intelligence reform and restructuring. It was apparent in those meetings that very few of the participants had ever done work of an intelligence nature, either operational or analytic, although they had all been consumers. It was some time in this period that I said to colleagues that “I felt as though I was a surgical patient lying on an operating table surrounded by people who had never been to medical school,” a remark that has since made the rounds in various publications.

A turning point came during the presidential campaign of 2004, when Democratic nominee Senator John Kerry said on 17 July that as president he would favor restructuring the community around a DNI. Two weeks later, after my morning briefing of President George W. Bush on 2 August, National Security Advisor Condoleezza Rice asked me to stay behind. She told me for the first time that Bush was going to announce creation of a National Intelligence Director in a Rose Garden press briefing in a few minutes. (I had become the acting DCI on 12 July, after George Tenet's departure the previous day.) Rice asked me to remain and to appear with the president in the Rose Garden. I

a. Michael Allen, *Blinking Red: Crisis and Compromise in American Intelligence After 9/11* (Potomac Books, 2013).

b. The commission issued its report on July 22, 2004. See Susan Collins's and Jane Harman's recollections in the preceding article.

## Reform: If Not Then, Now

was flanked there by Secretary of State Colin Powell, Secretary of Defense Donald Rumsfeld, FBI Director Robert Mueller, and several others. President Bush made his announcement, saying that the new DNI would “oversee and coordinate” the work of the intelligence community. When asked by reporters to elaborate on the DNI’s authorities it was apparent the president was not prepared to commit to much more than a coordination role. Later that day, Rice and the White House chief of staff held a press briefing in which they stopped short of saying the director would have the greater authority the 9/11 Commission had envisioned. The word “coordinator” again stood out in that briefing.

Upon returning to my office that day, I received a call from Powell on my secure hotline to Cabinet officers. Powell asked in an angry voice, “What the hell was that all about?” Clearly, he had had no more warning than I had about the announcement and appeared to know little about what it meant, despite Deputy Secretary of State Richard Armitage having been in many of the meetings that I attended in the runup to the decision. I gave Powell the background as best I understood but explained that much remained to be defined.

During this period, I met with then National Security Agency Director Michael Hayden and National Geospatial-Intelligence Agency Director Jim Clapper to strategize. We put together a

proposal urging that if Congress created a DNI, that person should be significantly empowered, beyond the authority the DCI possessed, to run the IC with full authority. We went so far as to propose that our three agencies be administratively subordinate to a DNI with full authority over budgets and personnel. We realized this would be controversial within the agencies, but our view was that the worst outcome would be a weakly empowered new director with insufficient authority to manage a large and complex community. I forwarded this proposal to the White House, but it gained no traction, nor was it acknowledged, within the administration or in congressional deliberations.

On August 17, 2004, I testified before the Senate Armed Services Committee on the 9/11 Commission’s recommendations. In this testimony, I laid out how the IC had changed in ways the commission had not noted: closer integration, more intimate information sharing, tighter coordination with the US military—all of this producing great progress in destroying al-Qa’ida and its partners. I raised questions about how a DNI would function and noted the necessity of clear authority and lines of command in the midst of war.

Most importantly, I strongly urged that if Congress approved the president’s proposal for such an office, the DNI “should have the clear authority to move people

and resources and to evaluate the performance of the national intelligence agencies and their leaders. And this should be accomplished in the cleanest and most direct manner you can devise.” In short, I was counseling against a limited coordination role and recommending a fully empowered DNI along the lines that Hayden, Clapper, and I had envisioned.

The legislation authorizing the DNI was passed in Congress in December 2004 and was sent to the president on 15 December; it was signed into law two days later. Ambassador John Negroponte took office and was sworn in as the first DNI on April 21, 2005, about three months after I had resigned my position as deputy director of central intelligence following the arrival of Congressman Porter Goss as the new and final DCI. Following Negroponte’s installation in April, Porter Goss became the first incumbent of an office now titled simply Director of the Central Intelligence Agency.

The legislation creating the DNI stopped well short of the strong authority we had recommended but did give the new director a clear coordinating role and direct authority over a number of organizations such as the National Intelligence Council. In the 20 years since its creation, the office has been significantly strengthened through executive order and practices established by a succession of

DNIs, as detailed elsewhere in this edition of *Studies in Intelligence*.

As someone initially very skeptical of the idea, I've come to the view that the DNI, with all the changes, now performs an essential integration and tasking role for the intelligence community, while also providing a public face and locus of accountability for the whole intelligence enterprise. And as a former CIA official, once responsible for coordinating the work of the huge complex community while managing CIA's global mission, I see the benefit of the DCIA now being able to focus more exclusively on the latter. ■