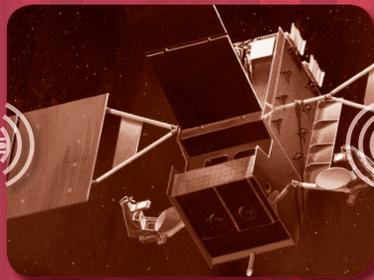


Information Sharing and Collaboration: Planning, Budgeting, and Execution



A White Paper prepared by the
AFCEA Intelligence Committee

October 2007



Serving Intelligence Professionals and their Community

Information Sharing and Collaboration: Planning, Budgeting, and Execution

Table of Contents

Executive Summary.....	2
Introduction.....	3
What Holds Us Back.....	3
Fractured IC Budget Formulation.....	3
Blurred Management Authorities and Accountability.....	4
Dynamic Requirements.....	5
What the Executive Branch Can Do.....	7
What Congress Can Do.....	9
Conclusion.....	10

Executive Summary

This white paper focuses on opportunities for integration that may be achieved by modifying the Intelligence Community (IC) planning, programming, and budgeting process, i.e., the process of budget formation with an eye toward stronger, integrated execution resulting in better collaboration across the Community. Today's process does not easily accommodate efforts to integrate programs and activities across the IC, nor do they serve the goal of a more collaborative Community. The observations and recommendations included in this paper are pertinent both to the executive and legislative branches. Modifying the process could help the IC integrate activities at the conceptual stage and minimize the tendency to cobble together capabilities later when it becomes more difficult and costly. A more streamlined and cohesive process would also offer the IC a way to develop and deploy technologies, tools, and techniques more rapidly—both for operational and collaborative use and in anticipation of new challenges.

The complex and archaic planning, programming, and budgeting process was created in a different era and has worked remarkably well, considering how many people with varying roles touch the budget during the lengthy process of request and approval. The experience of 9/11, the challenges arising from agile terrorists, and the complex nature of today's global intelligence and national security environments, however, mandate that it is time to take another look at the process.

A full discussion of the intricacies of this process is beyond the scope of this paper. What is offered is a high-level examination from the role of the executive branch in developing the IC budget request to submit to Congress, to the subsequent stage when Congress considers and acts upon the request.

Introduction

The Intelligence Committee of the Armed Forces Communications and Electronics Association (AFCEA) International is pleased to present this eighth in a series of white papers¹ focused on the future of the IC. The AFCEA Intelligence Committee (the committee) offers these papers in the context of ongoing, positive developments in the management of the IC. The committee has “put its shoulder to the common wheel,” working alongside other public- and private-sector members of the Community in support of the IC’s continued development. These papers, and the AFCEA intelligence symposia they accompany, are intended to contribute substantively to the national discussion on strengthening our nation’s intelligence capabilities.

What Holds Us Back

Fractured IC Budget Formulation

One of the first opportunities to integrate IC activities, facilitate stronger collaboration, and ensure the budget reflects the nation’s priorities can be found in the formulation of the budget request.

The IC budget is actually a compendium of many separate agency budgets. Individual budget requests are developed within existing organizational stovepipes—primarily segregated by agencies identified with a specific intelligence capability, such as signals intelligence (National Security Agency) and imagery intelligence (National Geospatial-Intelligence Agency). There are excellent reasons why IC agencies (and their budgets) were created in this fashion. By organizing these agencies to focus on specific areas of expertise, the nation nurtured experts and leading-edge technologies in these once highly specialized fields. Times have changed, however, and these skills and capabilities must be combined more effectively to meet today’s evolving security demands for stronger collaboration and integrated capabilities..

¹ For previous white papers, see: <http://www.afcea.org/mission/intel/committee.asp#papers>.

Nonetheless, today's planning and budget formulation process does not make integrating these capabilities easy. Program managers are discouraged from programmatic collaboration because their reward structure is based on a program's size and budget and not necessarily on how well it complements other IC activities. An outgrowth of this reward structure has been a gradual shift toward emphasizing strong justifications for existing or new programs and helping them grow, rather than on collaborative activities or eliminating programs that no longer meet the nation's priorities.

Individual agency budget requests are the basis for the Congressional Budget Justification Books (CBB) presented to Congress for review and approval. The budget requests go through various stages of coordination within the executive branch, including coordination by the Office of the Director of National Intelligence (DNI) and the Office of the Under Secretary of Defense for Intelligence (USDI). These organizations have limited time and resources, however, and it has proved difficult for them to review the requests thoroughly to ensure they are aligned across multiple agencies and most effectively matched against national priorities. Out of necessity, they focus on the most critical issues and gaps in national intelligence capabilities.

Blurred Management Authorities and Accountability

The Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004 codified the position of the DNI and directed substantial changes in the IC. Congress wanted both to eliminate unnecessary boundaries and facilitate greater integration to ensure that analysts are better able to counter national threats. Unfortunately, Congress' goal of improving analysis is, at times, overshadowed or even undermined by budget issues that are a result of uneven priorities and investments.

A number of agencies and departments form the IC, each with unique capabilities and cultures. Three of the major intelligence agencies are part of the Department of Defense, and they absorb the majority of the IC budget. The Secretary of Defense, primarily through the Office of the USDI, has a role in defining, reviewing, and approving IC investments. This arrangement has many positive benefits, such as reduced duplication

and improved collaboration, but drawbacks also exist, particularly in coordinating investment priorities for very large and expensive programs. As noted in a recent Congressional Research Service report to Congress: “Although the IRTPA provides to the DNI extensive budgetary and management authorities...it does not revoke the responsibilities of the Secretary of Defense for these agencies. A need for close cooperation will exist, but so will an opportunity for disagreements that could greatly complicate the intelligence effort.”²

Other drawbacks include:

- Diffused authority that leaves the IC agencies plenty of maneuvering room to work both sides of a difficult decision or disagreement, rather than focusing them on integration.
- A bifurcated management structure that tends to undermine accountability: a deficiency that penetrates multiple management levels. The result is often a situation in which no one has full responsibility.
- Issues that tend to linger and take much longer to be resolved. Lack of clear responsibility fosters a long and repetitive coordination process. This can seriously undermine the ability to swiftly define and develop new capabilities to keep pace with requirements.

Dynamic Requirements

It is clear the IC faces an uncertain world. This nation’s adversaries often are able to adapt new technology very quickly and have created an increasingly noisy, interdependent, and complex threat portfolio. The IC must continually adapt to keep pace.

As a result, the Community needs the means to:

- Recognize changing requirements and deploy new capabilities swiftly.

² CRS Report for Congress: “Intelligence Issues for Congress,” updated June 4, 2007, Richard A. Best, Jr., specialist in national defense.

- Adjust resources in response to consumer needs, a dynamic target environment, and the need for collaborative operations and analysis.
- Sustain support for programs that explore the limits of the Community’s current capabilities, even when the steps toward gaining these capabilities falter.

Those charged with oversight of the Central Intelligence Agency (CIA) recognized long ago that the need for rapid response to change requires flexibility, and they granted the agency special authorities for acquisition. *Federal Computer Week* cites the DNI in describing the agency’s special authorities “which allowed it to develop capabilities with speed and authority.”³ The same article also noted that the director had called on Congress “to provide bipartisan consensus for funding and for program stability.”

Given the uncertainties associated with gaining new intelligence capabilities, support from both the executive branch and Congress for sufficient funding to ensure program stability is crucial. Otherwise, program budgets and long-term progress are likely to be swept into turmoil as problems arise. Managers of large programs, intended to deliver unprecedented capabilities, are more likely to be called upon to explain or defend every step they intend to take, rather than on focusing their energies, their management teams, and their industrial partners on achieving long-term, albeit difficult, objectives. Program managers for smaller and more agile programs quickly lose the ability to make rapid decisions without extensive coordination, again hampering the ability to deliver a product quickly and less expensively.

Despite recognizing this situation, the executive and legislative branches seem reluctant to sustain long-term IC programs. Instead:

- Budgets continue to be built from the bottom up, despite Community strategic guidance. As a result, investments may not map to IC national priorities, integrated requirements, and integration capabilities.

³ *Federal Computer Week*, February 20, 2007. See: <http://www.fcw.com/article97714-02-20-07-Web>

- Budgets more likely are based on what a program manager believes a program can obtain, rather than on actual projected cost and the need for realistic management reserves. If too low, this could seriously limit the program's ability to deliver the promised product. Conversely, a program manager might pad the program budget to ensure sufficient funds, in the expectation that funding will be cut in any case. Either way, the budget is not always realistic.
- Budgets are often prepared, justified, and presented to Community managers and Congress by people who may not fully understand the value of the asset. For example, investment in a sophisticated technology may be briefed by people who cannot explain why the technology is needed and what that technology can accomplish in terms of intelligence value. Or, the technology may be fully explained, but the derived intelligence value is not conveyed.
- Budgets and investments may be reviewed by staffs in isolation from the program managers or the consumers of the potential product. Budget adjustments may be based solely on financial criteria to make the books balance.
- Tough decisions can be avoided. It is easier to reduce budgets by fair sharing (or salami slicing) across multiple programs than by eliminating one program entirely or significantly adjusting programs based on potential intelligence value. (In recent years, the DNI has eliminated two large programs, which may signal that this practice will change.)
- Year-to-year budget stability is elusive. Executive and congressional support for long-term efforts is difficult to sustain.
- The IC budget continues to be built in mission- and agency-specific stovepipes. Congress continues to review and act on budget requests in a fragmented fashion, at times without sufficient regard for overarching, strategic objectives relating to Community integration.

What the Executive Branch Can Do

The executive branch, that is the Office of the DNI and the directors of the various agencies and centers that compose the IC, have several opportunities for making the

planning, programming, and budgeting formulation process more responsive to Community needs and goals. These include:

- Having the DNI each year establish a concise list of the next five years' top priorities **for the Community**. These priorities will drive Future Years Defense Program (FYDP) planning and annual budget requests. Then the budget request must be directly tied to these priorities. The DNI should refine that list of priorities every year to integrate changing requirements and opportunities. The DNI has built a strong, collaborative relationship with the directors of the IC agencies, constituting among them a "board of directors." This board provides the Community with a strong opportunity to build an integrated and specific set of priorities, specific goals, and strategic objectives focused on achieving the mandate of the IRTPA legislation. These priorities, goals, and objectives must be conveyed and emphasized to the IC workforce. The board of directors must ensure these goals are consistently enforced throughout the budget process; otherwise they will have no meaning.
- Ensuring that every agency and center director defines strategic objectives in each CBJB and in the FYDP: aimed explicitly at Community integration of goals and capabilities and the top priorities described above. Budget and planning guidance will reflect these objectives and will include specific milestones to measure how well the goals and objectives are being accomplished.
- Working with Congress to ensure the special acquisition authorities are available throughout the Community. These authorities can be valuable tools to support changing requirements and emerging opportunities, and they can make the IC more agile. Congress and the executive branch can specify where the authorities are not needed or do not apply.
- Restructuring the formulation and execution of budgets toward a smaller set of overarching accounts, as opposed to tactical and strategic accounts, and accounts focused on specific agency missions. The DNI/USDI/Congress should develop one IC budget shaped not by the stovepipe INTs, but rather based on other defining criteria that allow greater insight into what capabilities are being

developed, what specific intelligence benefits the capabilities will provide, who needs the benefits, who will be responsible for building and using the capabilities, and how the capabilities contribute to Community integration. Many of these criteria are used today, but they are presented within each agency stovepipe. Today's approach forces the Community to attempt to merge after the fact rather than creating an integrated activity from the start.

To make these recommendations effective, legislative changes may be required. However, less drastic modifications could yield tangible improvements. Significant changes in the budget formulation process can be accomplished through policies and directives. The DNI, USDI, and Congress would all need to be involved in making substantive changes to the budget process. The DNI should propose needed legislative changes that ensure Community integration, from budget formulation through execution.

- Sustaining, through the newly designated Deputy DNI (DDNI) for Acquisition, support for long-term, complex, and challenging programs. The recent appointment of a DDNI for Acquisition offers additional opportunities to build integrated mission capabilities, and to achieve the integrated IC highlighted by the IRTPA.

What Congress Can Do

For its part, Congress can do a great deal to facilitate IC integration. Among the steps it can take include:

- Working with the DNI and Secretary of Defense (or USDI) to identify clear lines of authority and accountability for specific program management and budget activities that lie somewhere in the middle of the two jurisdictions. Current legislation leaves many gray areas.
- Making IC integration a key focus area for oversight activities, particularly those associated with the yearly budget requests.

- Building consensus between the chairmen of the various congressional committees with oversight roles and giving unified guidance and support to the IC, particularly in actions that move the IC toward greater cohesion.
- Working with the DNI to restructure the various stovepipe and tactical/strategic accounts into accounts focused on integration rather than on individual programs. This piecemeal approach thwarts attempts to allow priorities and needs to drive investment.
- Giving the executive branch greater flexibility to respond to emerging technologies and threats. The executive branch must be more forthcoming to Congress on what it needs and why, and then it must establish greater trust. This will take time and a proven track record of success.
- Working with congressional oversight committees to create a regular schedule of reviews of major programs. The schedule should be designed to improve the level of communication and cooperation experienced by congressional staff, Community managers, and program managers. To the maximum extent possible, these reviews should encompass authorizers and appropriators from both Houses. Each congressional oversight committee may generate questions for the record and may schedule additional meetings and reviews after initial briefings given at the start of the budget review/approval process. As the number of oversight committees has expanded, this practice has become very time consuming. The net result is that the authorization/appropriation process becomes more difficult for all concerned. Schedule conflicts may make this too difficult to achieve, but it would be worth the effort to bring both Houses and oversight committees to common program meetings.

Conclusion

Even though the Founding Fathers intentionally created a degree of tension between the executive and legislative branches (checks and balances), they worked toward the common goal of having government work effectively. The complex and archaic planning, programming, and budgeting process was created in a different era, and it has worked remarkably well considering how many people with varying roles touch the budget

during the lengthy process of request and approval. The experience of 9/11, however, including the challenges facing the United States from agile terrorists and others, combined with the complex nature of today's global intelligence environments, all mandate that it is time to take another look at the process. It should become a useful tool, rather than a burdensome and time-consuming process that undermines our ability to respond to more agile enemies.

The AFCEA Intelligence Committee is a group of public- and private-sector volunteers that oversees AFCEA International's outreach to the Intelligence Community. By providing alternate means for the exchange of ideas of interest to intelligence professionals, the committee seeks to make a contribution to national security.

To complete a short feedback survey on this White Paper, please click here.

To provide public feedback regarding this White Paper, please click here.