31 December 1975

From: CTF 157
To: DNI

Subj: Attached memo

1. The attached memo, which addresses in some detail our reaction to your plan to offer up TF 157 as a vertical cut, was written mostly by me, edited and embellished by Darry and the numerology was added by Cdr Richards. My Admin Officer, Cdr Young, typed it personally. It says most of the key things that need to be said to enable you to study this option, but I wanted to add a few personal notes that come from my heart and hand alone.

2. Conflicts of view are never fun; when they require one to tell his boss things he probably doesn't want to hear, they are still less enjoyable. I apologize in advance if these memos are vehement or blunt. I certainly do not intend any rudeness, but neither do I think you expect me to be a yes man.

3. However you wish to frame your proposal, it will be percieved by those of us on the blunt end of the instrument as a vote of no confidence. More than that, it will be percieved as the execution of a decision you have been wanting to implement for some time, and have merely been delaying for the right excuse. You came to your job preceeded by the information that you would soon see that TF 157 was wiped out. Your initial protestations to the contrary were accepted at face value, but your actions in the intervening year have belied your words.

4. Specifically, it appears that this organization has been given the so-called mushroom treatment. We are perhaps at least partly responsible for this, for the very physical and organizational seperation that gives us much of our operational flexibility also keeps us out of sight--and probably out of mind. Without being here, you can have no appreciation of the volume, nature or variety of the work being done here on a routine basis. I think Darry, long a critic, would testify to that. The upshot has been though, that we are percieved by at least some of the staff, and possibly by you, as "them" instead of "us."

5. I have tried to work to overcome much of the suspicion, envy and dislike fostered by the previous regime by working more closely with the staff, and by spending less time on internal public relations. It now appears that this has been a most costly mistake. Perhaps if I had made more appearances on your calendar you might have a different perception of us, but I felt you wanted us to "do our thing" and involve you only when I had to. The symptoms that we were not on the first team in your mind at least, were perhaps not noticed by me because I chose not to see them, but they were there, and they are symbolic of the "actions" I alluded to above: (a) We have been denied the opportunity to crow about our good accomplishments--I don't mean just "show-and-tell" either, I'm talking about detailed studies of what we have done, such as our year-end report, which you would not permit us to circulate elsewhere in the community. (b) We have been pushed an echelon further away by the new NAVINTCOM organization and your ability to know us and our capabilities have therefore been made much more difficult. We may not be the only organization so affected, but we are the one organization you have never really known before. (c) We have been criticized on a number of occasions--and always with good reasons, I agree--but we have never

in my recollection, been congratulated for anything. On one occasion, indeed, when one of our men in Munich clearly deserved a personal kudo, you permitted CIA to get his congratulations and would not correct the record because it looked too much like we were "patting ourselves on the back!"

6. Whatever you think of this organization, I have a strong belief that what it is doing is right, efficient and good for the Navy. I believe to dismantle it in reaction to a cut that is not aimed at it is wrong. I told you I endorse the idea of vertical rather than horizontal cuts, but to make two cuts at the cost of one seems needless. The vertical cut should be levied where it was aimed... at the civilian hierarchy.

7. Having gotten the foregoing off my chest, to the detriment of our future relations I suppose, I must close by saying that If you are forced by all the pressures on you to strike Task Force 157 from the Navy List, I will do all in my power to assure that the demolition is carried out in the most efficient, quietest, least destructive way possible if it is the last thing I ever do for this Navy I love. And I suppose it well may be.

Very respectfully

Don Nielsen

Decision Reclama?

1. Background. You have indicated your intent to counter a proposed cut of some 160 civil service employees in Naval Intelligence by advising the proposing authorities that a cut so deep will require the elimination of one or two entire field activities in order to find compensatory manpower strength to maintain adequate analytical capacity with ONI. You may intend the offer be only a gambit designed to make DoD officials recoil in alarm and reconsider the imposition of the civil service cut, but in fact your proposal might well be accepted! The purpose of this memorandum is to:

a. Dissuade you from making the offer, and

b. If dissuasion doesn't work, make sure you are operating in full possession of the facts relating to the impact of the loss of this field activity, and

c. Offer a possible solution to the dilemma.

2. Discussion. I am beginning this memo still somewhat in a state of shock at the implications of your decision, and although I will try to be orderly in the presentation of the facts I amy be come a little impassioned at times. It is also possible that my arguments may be a little disorderly simply because the enormity of the porblem will require examining it from a number of points of view. I know this memo will be a little lengthy because of the necessity to cover many arguments and because time constraints will not permit me to write a shorter one. I am doing this only with the help of my XO and Support Officer, for to obtain additional deailed staffing from the TF (such as was done for last December's review of a possible 50% decrement) obviously means informing them of the possible demise of TF 157 and its attendant civilian FIS/FISS Program. Because of the unbelievable shock that such an announcement would create, as you indicated, I have not told them of this "ploy." I hope my troops will not hear of your plans through the backdoor. (i.e., ASDI).

3. Facts and Observations. If Task Force 157 were to be disestablished:

a. Looking briefly at the "big picture," Navy would abdicate its position, recognized throughout the community, as the leader in Defense clandestine collection -- the organization with the best program, clearest objectives, most efficient management, and most effective results. Navy participation in national clandestine HUMINT policy forums would cease to be pertinent. Navy's withdrawal at this time could be viewed (albeit erroneously) as resulting from the recent Congressional hearings into intelligence. The mistrust and stigma of leaving the field at this juncture, coupled with the always-herculean staffing required with other agencies and within the Navy to develop such a capability, make it a matter of years, easily 5 to 10, even to re-enter the field, much less to re-create what we have now. You, another DNI, or any CNO may someday desire/require it. It won't be here if you make this vertical cut and remove our presently established and healthy capability.

b. Looking strictly internally,, we would have to terminate or transfer to other less reliable/experienced/interested managers a total of 28 clandestine and overt/sensitive naval oriented collection proj ects now managed or supported by TF 157. I know your dislike for production figures, and we have carefully avoided "dog and pony shows" concerning our accomplishments. Suffice it to say that the take is significant and more worthy of your pride than your contempt. Analyst evaluations, which I also know you frown at, nonetheless, attest to generally favorable quality and value. From community studies of intelligence costs, we know that HUMINT results are among the most cost effective. My best guess at the salvageability/survivability of these projects is contained in enclosure (1). Many projects which might be salvaged and assigned to other entities for management (CIA. fleet commands, etc.) I feel would probably languish and perish due to lack of direct ONI sponsorship. For example, while NLU Munich could operate as a subordinate activity of CINCUSNAVEUR, I harbor no illusions as to its longevity the next time CINCUSNAVEUR is faced with another manpower cut.

c. As I have told you, we are in the process of developing a more useful yardstick for the measurement of our usefulness. This is the measure of access. Following on your directive to go after the"hard targets" -- a directive immediately applauded throughout this Task Force -- we have set out to measure our usefulness in terms of source access to denied area and hard targets. We intend to set difficult, but attainable goals and work toward those ends to develop a capability for clandestine collection that will have the flexibility to respond to fast changing requirements. We feel we are going in the right direction and were pleased to be out from under the "publish or perish" syndrome that plaged the Task Force in earlier years. It will be hard to explain that you plan to allow us to perish anyway.

d. Bilateral intellignece arrangements of varying scope with the following countries would need to be modified or terminated: Iran, Turkey, Greece, Germany, Denmark, U.K., Japan and Italy. See enclosure (2) for details of salvageability of these projects. Especially in the bilateral area, the effect of abandonment will be a long-term one. To re-establish sufficient confidence on the part of these allies to resume present operations in the future will prove most difficult.

e. The capability to move people, money, and equipment through the private sector in support of intelligence collection operations, and other intelligence undertakings, would be lost insofar as that function being organic to ONI is concerned. I believe you will sorely miss this unique ability to effect such actions outside overt government channels, yet within full Navy control. In addition to providing nonattributable machinery for ONI, the Task Force has moved $5M dollars for the Secretary of the Navy during the past year, a capability described by Mr. Grimes as valuable and unique. You may recall his description of the Task Force as "one bunch that did things right."

f. Looking more to the in-house impact and the actual feasibility of your proposal; assuming TF 157 were to shut down, I have several points to make. First and foremost would be, as you have acknowledged, the severe blow administered to our 75 U.S. civilian employees of the Foreign Intelligence Specialist/Support (FIS/FISS) who would be put out of work. These dedicated career employees deserve consideration for tenure, advancement, and retirement benefits completely equal to those enjoyed by regular GS civil service employees. While contracted to "companies," they should be backed and protected by the government (U.S. Navy, and ONI in particular) to the same that ONI supports its overt GS employees. They

deserve no less. Our program is new enough that none has yet earned retirement rights through its benefits program. While I know the vast majority of FIS/FISS personnel are loyal, dedicated, and understanding, I cannot warrant to the Navy and ONI if their contracts were dropped en masse, even over a 6-9 month period. Publicity, lawyers, court suits, and the like could ensue, thus bringing about the type of unfavorable reaction we feared (but so far have avoided) from the revelations to the Senate and House Intelligence Subcommittees. I can only define the loss of the FIS/FISS corps as an unnecessary, self-inflicted wound, which, when added to the proposed civil service loss, would constitute the tragic disappearance of over 230 talented souls, not just 160.

g. Looking at billets, on the surface of our dissolution would gain 35 officer and 61 enlisted Navy billets. Marine Corps billets would be taken back by USMC because the Marines detail to us only for the clandestine experience they gain. There would be no savings in civil service billets since TF 157 holds no such billets on its books. As to military billets, these are shown in enclosure (3), and it would appear that rank, on the basis of designator, and rate, vis-a-vis the numbers available, considerably fewer than 96 billets would qualify for transfer into analytical billets. For officers, you would be heavy in the 0-6/0-5 grades,and very low in the logical analytical grade of 0-3. For enlisted, 15 billets have no application to analysis, and the IS billets (half of which aren't filled anyway) are heavy on chiefs. Quite possibly, you would find that on a straight transfer basis, only 21 officer and 38 enlisted billets would be appropriate to the craft of analysis. This total of about 60 is well short of the near 100 which you might think you could transfer at first glance. Basically, the military structure we have would not transfer very well into the analytical GS slots under fire in NISC, NFOIO, etc.

h. In addition to the difficulty of matching our military manpower against a civilian shortfall, there is the problem of the cost of moving all of our personnel in a single fiscal year -- this is a cost factor not directly applicable to NAVINTCOM, but it's one at which BuPers will blanch.

i. Looking next at in-house dollars, monetary savings would be approximately 3.5M dollars per year, of which the lion's share (3.3M) are classified E&EE funds. As such, it is likely that these funds would not be available for ONI use after all, but instead would have to be returned to the SECNAV Contingency Fund.

j. The cost of the dismemberment of the FIS/FISS Program and the return from overseas/CONUS locations of families and household goods would be about $500K over and above the TF budgeted amount allocated to salaries, allowances, and moving expenses. Additional costs of closing TF proprietaries, terminating contracts, paying severance pay, etc.,,would be approximately $800K. Thus the cost of abolishing TF 157 would be about $1.3M dollars ($500K plus $800K). Unobligated funds in the amount of $657K are now held in commercial accounts which could help defray the financial burden of disestablishment. The shortfall of $643 would therefore have to come from other NIC funds. With regard to dollars, as was shown to be the case with regard to civilian personnel, the destruction of TF 157, in addition to the loss of the 160 GS billets, would have the effect of magnifying rather than diminishing the impact of the GS cut.

4. Conclusions.

a. On examination, from my admittedly interested viewpoint, I fail to see the gain in sacrificing a useful -- possibly not vital, but useful -- capability in order to get some doubtful compensation for a loss of a different nature. It seems particularly painful when the irrevocable nature of the dissolution of the FIS/FISS program and the loss of credibility among our foreign contacts is taken into account. It seems unlikely that, even if the stigma of our treatment of the FIS/FISS ever wore off, the climate in Washington would ever be such as to nurture the re-creation of a Navy clandestine program. Against this, the loss of a number of civil service billets from a seemingly bottomless barrel seems trivial by comparison.

b. In addition, there is the question of the intent of the proposed cuts. Since the cut is aimed specifically at the civil service sector, an attempt to compensate for it by dissolving part or all of your collection capability is wrong. To eliminate collection capacity while shoring up analytical capacity will result eventually in a lot of unemployed analysts. I recognize that past criticism has pointed at a collection capacity that overloads our analytical capability, but perhaps surgery would be more appropriate than decapitation.

c. Finally, self-serving as it may sound, why not weigh the actual effect of the civil service cuts before trying to salvage them at the expense of another element; perhaps Admiral Rayborn was right when he observed that you get more work out of 100 overworked people than out of 500 with little to do. I know it is irritating for someone without the whole burden on his shoulders to criticize the way you are packing it, but hasn't a longtime criticism of ONI been that there are too many immovable objects with GS ratings in it?

5. Recommendations. It is strongly urged that you not offer up Task Force 157 in compensation for civil service cuts. Even if it is not accepted and the gambit works--thus saving both--the damage to the stability and credibility of this organization will probably prove fatal. Instead, it is suggested that a careful examination be made of the ways in which the unique capabilities of this Task Force could be put to use to solve the manpower shortage. I recognize that there have been abuses of the hiring capabilities of this organization in the past, but in those cases it was a clear question of intent to subvert the purpose for which the capability had been created. It is within your purview to re-examine our mission at any time and to add responsibilities. This would be far preferable to dismantling the capability, and if we can somehow meet the test of nonattributability, we might provide the answer to your problem.

6. I stand only too ready to provide you with additional or supporting data at your request. We have some positive ideas to offer as well as the defensive but essentially negative comments offered above.