

Ser NIC-02/59

06 DEC 1974

MEMORANDUM FOR THE COMMANDER, NAVAL INTELLIGENCE COMMAND (NIC-00B)

Subj: Major Claimant Status for NIS

Handcarried 12/91
[W. Brown]

Ref: (a) NIS memo of 19 Nov 74

1. My comments upon reference (a) follow.

2. It is certainly true that manpower and dollar cuts, coupled with the reported accelerating crime rate within Navy, have created deficiencies in NIS capabilities to keep up with its case load. Reductions, however, were not as much caused by DIA attitudes toward the counterintelligence and investigative activities program as they were reflections of priorities assigned by the DNI when he had to apply GDIP, Congressional, and Navy cuts across the total programs which he sponsors. Base closures were also involved. In any event, NIS is no longer under any sort of DIA or ASD(I) management, since it has been separated from the GDIP. Currently, NIS enjoys recognition of its problems at the highest levels of the Navy and OSD and is receiving sympathetic and helpful attention at these levels and below (where program and budget adjustments are actually made). Thus, their situation appears to be fully appreciated by all managers within the existing command structure. It appears to me that continuing solutions will be found as readily with NIS remaining part of NAVINTCOM as upon its removal from this organization.

3. In any event, retention of DNI sponsorship for NIS outside NAVINTCOM would produce no change in existing program planning, since DNI performs this function for all programs for which he is sponsor. Any competition which exists today within DNI or Navy--as for example, in alternate decrements during CPAM development--would continue.

4. During the budget process, NIS, as its own claimant, would deal directly with CNO financial managers in Op-92 and NAVCOMPT. It would no longer compete with other activities of NAVINTCOM when budget reductions were applied. It would, however, take its share of major claimant cuts often applied across the board by Navy.

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5. Op-92 will, of course, have to make its own comments upon the NIS proposal, but the current policy is to eliminate very small claimants and group them together under Op-09BF. If NIS is handled in this way, it would then fall into competition with other Op-09B activities, in much the same relationship that exists within NAVINTCOM at present. In fact, since DNI would continue to be program sponsor, NIS would find its claimant perhaps less perceptive of its problems than COMNAVINTCOM would be.

6. From the DNI/COMNAVINTCOM point of view, elimination of NIS from the command/major claimant structure appears to have certain disadvantages:

a. DNI's management control over NIS would be handicapped by the fact that he no longer controlled resources.

b. COMNAVINTCOM would be significantly reduced in funding-- from \$52 million in O&MN to \$34 million on basis of current FY76 data (about 35%). Some loss of flexibility would inevitably follow, even though the need for program integrity is recognized.

c. At its reduced level, NAVINTCOM might become such a small claimant that Op-92 might move to eliminate separate status.

7. For all of the above reasons, I recommend no change be made in current NIS/NAVINTCOM organization and funding relationships, and that you do not seek separate claimant status for NIS.

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Captain, U.S. Navy
Head, Program and
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Handcarried 12/9/74
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