

## The Need to “Right-Size” and Rebuild the Community

**D**ESPITE the revolutionary technical developments of recent years, people remain the Intelligence Community’s most vital resource. Recruiting and retaining qualified employees is crucial to the accomplishment of its mission. The Commission found, however, that personnel problems now create a serious stumbling block to effective performance, and, to some degree, threaten the future health of the Community.

The Commission found two pervasive problems. First, intelligence agencies find themselves with employee workforces that are not fully suited to their needs, and they are without the necessary tools to correct the situation. Second, the separate personnel systems within the agencies hinder, rather than promote, their operation as part of a “Community.”<sup>1</sup>

In this chapter, the Commission examines each of these problems separately and offers recommendations on how to deal with them. Neither problem can be appreciated, however, without first understanding the context in which they have arisen.

### *Background*

Each of the largest intelligence agencies (CIA, NSA, and DIA) is authorized by law to administer its own separate civilian personnel system outside Civil Service rules. These authorities date to the creation of each agency, or were legislated shortly after their creation. (See Figure 9-1.) In addition, the Secretary of Defense is authorized by law to administer a separate personnel system (known as the Civilian Intelligence Personnel Management System or CIPMS) for the civilian employees of DoD intelligence components (e.g. the Army, Navy, Air Force, and Marine Corps).

The justification for maintaining these separate systems is that the intelligence mission requires special latitude when it comes to personnel matters. While as a practical matter intelligence agencies have adopted many Civil Service rules as their own,<sup>2</sup> they have staunchly maintained the need to manage their own personnel systems to satisfy their unique needs and to compete effectively with other intelligence agencies for qualified employees. In terms of hiring, none adheres to the Civil Service competitive procedures; rather, they have devised their own.

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<sup>1</sup> For purposes of this chapter, the Commission examined only the civilian personnel systems that encompass the four largest organizations, explained later in the text. Although about 40 percent of the workforce is composed of military servicemen and women who are paid from the budgets of the agencies they are assigned to, military personnel remain within the personnel systems of their parent service. The Commission did not undertake an analysis of those personnel systems.

<sup>2</sup> All four systems generally adhere to the Civil Service rules for pay and bound their pay scales in accordance with the highest and lowest levels of the Civil Service General and Executive Schedule pay scales.

| <b>Personnel Authorities</b>                | <b>CIA</b>  | <b>NSA</b>   | <b>DIA</b>                             | <b>CIPMS</b>                   | <b>Civil Service</b>   | <b>Private Sector</b>   |
|---|---|--|--|--------------------------------|--|---|
| <b>Hiring</b>                               |   |  |  |                                |  |   |
|   | Not Bound by Civil Service Competitive Rules; All have Devised Own Vetting Systems  |  |  |                                | Bound by Title V U.S. Code system of competitive exam and placement  | Contractual agreement between the individual parties  |
| <b>Pay</b>                                  |   |  |  |                                |  |   |
|   | All Exempted from Civil Service Rules; In Practice All Adhere to Civil Service GS/GM and Executive Pay Scales   |  |  |                                | Bound by Title V U.S. Code structure of GS/GM and executive pay scales                                       | Contractual agreement between the individual parties bound only by minimum wage laws                              |
| <b>Termination of Employment</b>            | Absolute authority to terminate in the interests of national security.<br>§ 104 (g) National Security Act<br>- Discretionary<br>- Generally unreviewable and final                                      | Termination consistent with national security concerns when can't be done under regular Civil Service rules:<br>- 50 USC § 833<br>- Civil Service determination must be made first<br>- Statutorily unreviewable and final<br>- Authority is delegated from Secretary of Defense | Same as DIRNSA - 10 USC § 1604 (e) (1) | Same as DIRNSA - 10 USC § 1590 | Cumbersome and time-consuming Title V process that provides employees with multiple opportunities for appeal | Employees-at-will - fired instantly (unless contract specifies otherwise) - only recourse is through court system |
| <b>Buyouts</b>                              | Must Seek Special Authorization and Appropriation Legislation from Congress with Approval by the Executive  |  |  |                                |  | Can implement when deemed in managerial interest to do so   |
|   | [ ..... \$25,000 Buyout Authority Exists Until 1999 ..... ]   |  |  |                                |  |   |
| <b>RIFs</b>                                 | No Special Authorities, All Must Adhere to 5 USC § 3502 Which Provides for Preferential Status to Veterans, Length of Service with Government and with Organization, and Performance Appraisal Rankings |  |  |                                |  | Can do merit or strategic based RIFs  |
|   | [ ..... No Authority to do Merit-Based RIFs ..... ]   |  |  |                                |  |   |
| <b>Soft Landings for Troubled Employees</b> | Broad authority to grant special payments and assistance § 8 CIA Act<br>"Not withstanding any other provision of law"   | Secretary of Defense Authority to Assist "Troubled Employees" Assimilate Outside of NSA, DIA, or CIPMS for up to 5 Years After Termination of Agency Employment  |  |                                |  | Can devise any type of package managerially deemed necessary  |

Figure 9:1

Other intelligence elements of the Government (e.g., the analytical elements at State, Commerce, and Energy) are too small to warrant separate personnel authority and are part of the personnel system of their parent departments.

The four personnel systems covering civilian CIA, DIA, NSA, and CIPMS employees evolved independent of one another with separate criteria for hiring, separate systems for appraising performance, separate programs for training and career development, separate promotion systems, and separate procedures for terminating employees. While each of the agencies (or in the case of Defense agencies, their parent department) possesses special authority to terminate employees without resort to the procedurally cumbersome rules that apply to the Civil Service generally, the agencies have used this authority infrequently.<sup>3</sup>

The agencies have, in fact, adopted internal procedures similar to the Civil Service procedures that accord due process rights to an employee, and make terminating employment very burdensome and time-consuming. As a result, managers have relatively little practical recourse in dealing with poor performers. The fear that suddenly terminated employees might become security risks also has been cited as an argument against the use of the special termination authorities. Additionally, the requirement that the termination have a “national security” rationale has acted as a barrier to use of the authority, for fear that employees will challenge these terminations in the courts or in Congress.

Therefore, terminations for cause are relatively rare. Once an employee successfully negotiates the stringent security processing on entry, he or she becomes part of what many come to regard as a “family,” which provides job security and the promise of a lifetime career. Once inside, there is little incentive to move outside, even temporarily. Indeed, to do so only jeopardizes one’s chances for advancement. While such dynamics are not uncommon elsewhere in the Government, they are especially in evidence among the employees of intelligence agencies whose experiences create a special bond that cannot normally be shared with the outside world.

## **Restructuring the Workforce**

The decade of the 1980s saw the budgets of intelligence agencies rise significantly and the number of new hires increase dramatically. For example, the total civilian workforce at NSA, CIA, and DIA collectively increased by nearly 50 percent from 1980-1989.

By the end of the decade, the number of new hires had dropped off significantly as intelligence agencies began to retrench at the end of the Cold War. In 1992, the Congress, with the agreement of the Bush Administration, imposed an across-the-board cut of 17.5 percent in civilian intelligence personnel to be accomplished by the beginning of fiscal year 1997. This was less than a three percent reduction per year and was believed to be

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<sup>3</sup> A slight difference in termination authority exists between the DCI’s absolute authority to terminate CIA employees in the interest of national security and that of the Secretary of Defense, who is required to look first at Civil Service termination procedures prior to invoking the special authorities. However, both special authorities require a national security rationale for the termination; this has added to the reluctance of the DCI and Secretary of Defense to use them.

feasible through normal attrition, without resort to involuntary reductions-in-force. In some agencies, the drawdown in military personnel, which was taking place separately from the civilian reductions, was taking an even heavier toll.

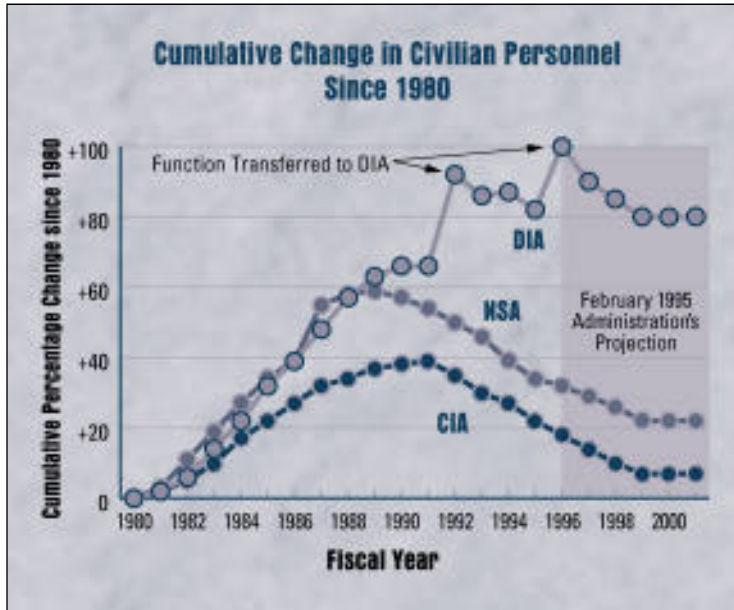


Figure 9:2

All intelligence agencies focused on meeting their congressionally mandated reduction targets. Most found it necessary to offer special incentives (principally, monetary “buyouts”) to employees eligible for retirement in order to meet these goals. In 1993, Congress provided temporary authority for the Department of Defense and the CIA to offer such incentives, and, to date, the reduction targets have been met. Earlier this year, the Intelligence Community, on its own initiative, extended the three percent per year reduction in personnel beyond 1997 to the year 2001 (See inset).

Despite these reductions, the Commission found the personnel problem far from solved. While intelligence agencies have reduced the number of civilians they employ, the cost of the remaining workforce is higher, due to inflation increases, promotions, and the higher cost of benefits. For example, from 1990 to 1996, NSA, CIA, and DIA collectively *reduced* their civilian personnel by 12 per cent. However, during the same period, the cost in current dollars of the civilian payroll at these agencies *increased* by 26 per cent. At NSA, the problem is acute. NSA’s civilian payroll increased from about 30 per cent of the agency’s total budget in 1990 to nearly 40 per cent in 1996. These growing amounts allocated to meet the payroll have crowded out investments in new technologies and limited operational flexibility.

With the focus on meeting reduction targets, the hiring of new personnel has slowed to a trickle in most agencies. In fiscal year 1995, the Intelligence Community as a whole brought on new personnel at a rate of less than one percent of its workforce. Some agencies, whose workforces number in the tens of thousands, were hiring less than a hundred new employees a year. This is simply insufficient to maintain the health and continuity of the workforce. If this pattern continues, agencies will face a future where large segments of their workforces leave at roughly the same time without a sufficient cadre of skilled personnel to carry on the work.

The Commission also found no evidence that the mandated reductions were being accomplished in a manner calculated to achieve a balanced skill mix or to weed out poor performers. Neither the Community as a whole nor individual agencies seem to have a strategic plan to govern personnel reductions that extends beyond how to get to their congressionally mandated numbers without having to “RIF” anyone, i.e. terminate employment based upon existing reduction-in-force authority (explained further below).

Consequently, even the success that intelligence agencies have had in downsizing to their congressionally mandated levels is marred by the fact that they are left overstaffed in some areas and understaffed in others. Moreover, relatively little has been done to deal with poor performers.

In this regard, the Commission was repeatedly told by managers and employees that the personnel evaluation system in their agency was “broken,” that the existing system did not provide a basis for identifying poor performers or for readily removing them from employment. At the National Security Agency, for example, because the previous performance appraisal system was thought to be consuming an inordinate amount of supervisory time, a system was instituted that rated employees as satisfactory or unsatisfactory with no rating in between. But, even in agencies where the evaluation system provided for more detailed supervisors’ assessments, it appeared that the evaluation system was rarely being used to terminate poor performers.

Creating racial, ethnic, and gender diversity within the workforce has also been a difficult task for intelligence agencies. Achieving such diversity is not only an imperative to satisfy American values, but is a way of dealing with the altered—more diversified—threat profile that the Intelligence Community faces since the end of the Cold War. According to recent reports and interviews with agency officials, progress is being made in terms of hiring practices but has been slowed by the limited number of new employees presently being hired. While the Commission is encouraged by this progress, overcoming the present lack of diversity is far from accomplished.

### ***What Needs to be Done***

Intelligence agencies need to lower their civilian personnel costs considerably in order to allow room for new investments and operational initiatives. At the same time, they need to restructure their workforces to ensure the continued health and competence of the institution. This will require a reduction in numbers and a change in the skill mix. Unless both are done soon, the Commission believes that the ability of some agencies to carry out their missions could be seriously jeopardized.

Part of the solution to this dilemma lies within the existing authority of intelligence agencies. Clearly, intelligence agencies must develop strategic plans to serve as the basis for further personnel reductions. Even if early retirement incentives remain the chief means of achieving such reductions, they should be structured in a way that provides the skill mix and levels needed for the future.

Intelligence agencies also should create and enforce effective performance appraisal systems that identify poor performers and provide a basis for removing them from employment. While removing poor performers is a task few supervisors relish, agency heads must impress upon them the seriousness of the need to fulfill this role. Agencies also should ensure that managers at all levels actively seek to diversify the workforce. Additionally, agencies need to look increasingly at new strategies for satisfying their personnel needs. One such strategy could be to hire individuals for limited periods or under personal service contracts that do not carry additional benefits. The attitude that intelligence agencies hire employees for lifetime careers may no longer be sustainable.

Finally, at the risk of stating the obvious, managers must manage better. The Commission found two pervasive problems in the Community's managerial structure. First, people are in managerial positions who do not belong there. Either they have not received the proper management training or they are incapable of performing management duties. In almost all agencies, insufficient attention is paid to selecting, training, and developing managers. Second, there are few incentives for managers to make tough decisions. On the contrary, managers who decide to take action against employees who are poor performers are confronted with a disagreeable, time-consuming process that discourages them from taking action.

While addressing all of these problems is essential, the Commission believes that lowering civilian personnel costs and restructuring the workforce to restore the health of the Community is of paramount concern. This ultimately cannot be achieved without considerably reducing the size of the existing workforce and, to some degree, rebuilding it with "new blood" to meet the future needs of the agencies.

In this regard, the Commission reviewed the options available to intelligence agencies under their existing legal authorities to accomplish such restructuring. Without attempting a lengthy analysis here, the Commission reached the following conclusions:

- ◆ The temporary authority most intelligence agencies have to provide early retirement incentives will not in itself accomplish what is needed. Such incentives generally cover only senior employees who are eligible to retire. Many such employees have skills and expertise the agencies wish to retain. Because of the relatively small number of such employees and the fact that agencies will want to retain many of them, they do not constitute an adequate pool from which to accomplish restructuring of the magnitude required.
- ◆ The special authorities of intelligence agencies to terminate employees for national security reasons have been used on a case-by-case basis in the past and only in instances where there is a "security risk" justification. They do not provide authority for large-scale, strategic downsizing.
- ◆ Reduction-in-force authority, available to intelligence agencies under Civil Service rules, requires agencies to accord preferential status to veterans and to persons within their organizations depending upon their length of service in the government and organization as well as their performance appraisals. Use of this authority would result in a loss principally of junior employees, and, thus, also falls short of providing the necessary tools.
- ◆ Managers within the agencies could use existing authorities to terminate employees for poor performance, adjust the mix of skills as they are able, and over time gradually rebuild the workforce. A recent report to the DCI, in fact, recommended this course of action but estimated it would take at least ten years to effect. Even if this were possible (and the historical track record suggests that it may not be), the Commission does not believe that the Intelligence Community has ten years to accomplish the necessary restructuring of skill mix and to free the funds necessary for new technical development and investment.

In addressing this situation, the experience of the private sector is instructive. Corporations have restructured and reengineered, changing their workforces to meet more efficiently the changing needs of the organization. The Commission believes similar “reengineering” should occur within the Intelligence Community. To accomplish this, the Commission concluded that new legislative authority to permit restructuring of the workforces of certain intelligence agencies was necessary and desirable.

**9-1. The Commission recommends the enactment of legislation providing temporary, one-time authority to permit intelligence agencies to “right-size” their civilian workforces in the interests of promoting the health and efficiency of their organizations.**

The principal features of the Commission’s proposal are as follows:

- ◆ Such authority would be available only to the Director of Central Intelligence and to the Secretary of Defense, who could delegate it to the heads of DoD intelligence agencies.
- ◆ It would be available only to intelligence agencies whose heads determine that the civilian population of the agency should be reduced by at least 10 percent beyond the congressionally mandated level of reduction to maintain the health and efficiency of their organizations.
- ◆ The special authority would exist for one year. For agencies that choose to avail themselves of this authority, they would have a six-month period following enactment of the legislation to decide which personnel billets would be eliminated under this authority in accordance with standards promulgated by the DCI. Another six months would be given for the agency to implement its reductions. At the end of a year, the personnel authorities of the agencies concerned would revert to the *status quo ante*.
- ◆ With respect to the incumbents of positions identified for elimination, if such incumbents are persons who are of retirement age but need to serve five or fewer additional years in order to qualify for retirement benefits, or are persons who have the required period of service and are within five years of retirement age, such persons would be allowed to retire with full benefits.
- ◆ With respect to the incumbents of positions identified for elimination who would not be eligible to retire under the above criteria:
  - A one-time payment of not less than \$35,000 nor more than \$50,000 would be authorized. The exact amount would be determined on a sliding scale, depending upon length of service and other criteria established by the agency head. In any case where the severance pay due an employee under Civil Service reduction-in-force procedures would be greater than the amount authorized under the special authority, the amount paid would be the severance pay;
  - Health and life insurance coverage would be continued for a period of 12 months following loss of employment; and

- **Intelligence agencies would be required to provide outplacement assistance for up to 12 months following loss of employment; *or***
- **The incumbent could retain employment with the agency, provided that he or she can obtain agreement to exchange positions with an incumbent of another position which has not been identified for elimination, subject to the determination of the agency head that the employee is qualified for that other position. The “exchange” employee then must take one of the compensation options outlined above (i.e. early retirement or a one- time payment plus benefits) and leave the agency.**
- **The legislation would provide that termination pursuant to this authority would not prejudice future employment with the Government but that anyone reemployed by the Government within two years of accepting the special compensation package would be required to return the cash payment to the Government.**

In offering this proposal, the Commission had several objectives in mind. First, this extraordinary authority should be available only to large intelligence agencies (CIA, NSA, and DIA) with a severe problem. Second, it ought to be limited in duration in order not to prolong the anxiety of the workforce. Third, it ought to be generous. The need to eliminate positions for the health and efficiency of the organization was not caused by the incumbents of those positions. Individuals need a reasonable opportunity to find new employment with a helping hand from the Government.

The “exchange” feature of the proposal was borrowed from the Canadian Government, which the Commission found had struggled with the same downsizing problem and had recently enacted a similar proposal for government-wide application. In 1994, a test of such a system was conducted at the Canadian Department of National Defense (DND). Its experience—with a package similar to the one developed by the Commission<sup>4</sup>—was considered so successful that the Canadian Parliament adopted the program for the entire government.<sup>5</sup>

The Commission anticipated and examined two potential objections to its proposal: one involving its costs; the other, a security concern.

To determine the cost of this proposal, the Commission requested a study by a professional actuarial firm, which concluded that the cost of the proposal would be minimal, if any, in the first year (depending upon when terminations occurred during the fiscal year) and would realize substantial savings in the out-years. The study did not take into account that, to some degree, intelligence agencies would be hiring new

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<sup>4</sup> The Canadian DND proposal is actually more generous than the proposal recommended by the Commission. Compensation under the Canadian plan offers a maximum benefit up to two years worth of an individual’s salary, excluding a separate departure allowance of up to 15 weeks of regular pay (for some individuals) and/or \$7000 of educational training.

<sup>5</sup> In expanding this legislative compensation package to the entire government, the Treasury Board specified 13 agencies and departments within the government which were unable to meet their previously mandated downsizing targets and which would be able to take advantage of this special benefits package.



*The Vice President's National Performance Review's report on the Intelligence Community, published in September 1993, had as its lead recommendation the enhancement of Intelligence Community integration. ". . . if it is to be a responsible player in government, the Community must find ways to share resources, be more efficient and effective, and reduce overhead . . ."* "The goal is not to build big central bureaucracies. Rather, it is to create common frameworks in which the elements of the Intelligence Community can pursue their departmental and national intelligence roles." The Review also recommended that the Community develop integrated personnel and training systems, and the establishment of a common set of personnel standards and practices, one set of security policies and standards, community-wide language proficiency standards, a vigorous program of interagency rotational assignments, a consolidated training structure with the sharing of programs and facilities and the construction of a community-wide skills bank. The Intelligence Community did not implement any of the NPR's recommendations.

*The Joint Security Commission issued a report in February 1994 recommending common standards for adjudications and a joint investigative service to standardize background investigations and thus take advantage of economics of scale, improvements in information systems security, a radical new classification system and a special permanent committee to replace the numerous existing fora that independently develop security policies. The classification recommendation was enacted in a Presidential Executive Order in April 1995, some aspects of personnel security were addressed by an Executive Order in July 1995 and a permanent Controlled Access Program Oversight Committee was established in August 1995.*

*The Intelligence Community Revolution Task Force (June 1995) strongly recommended the adoption of common management procedures and processes throughout the Community to facilitate movement of personnel and to cut infrastructure costs by creating a single personnel system, improving performance evaluation, consolidating recruitment and training, and creating common standards of security. The Community leadership is still reviewing these recommendations.*

*The Intelligence Community Task Force on Personnel Reform (July 1995—also known as the Jehn study) identified four principal problem areas: a largely dysfunctional system of performance appraisal and management; a lack of systematic career planning and professional development across the Community; the variety and complexity of the various personnel systems; and the inadequate promotion of a sense of community among the agencies. This report was briefed to DCI Deutch in August 1995 and the Community is reviewing its recommendations.*

employees with the skills needed for the future. However, the Commission does not believe that new hires would alter the basic finding of the study.

Another potential concern is that employees who are terminated will take revenge by committing espionage, or become unstable and disclose sensitive information, or institute discrimination lawsuits. While such concerns cannot be totally dismissed, neither is there compelling evidence they would be significant problems. A relevant observation is that there clearly have been substantial layoffs among defense contractors, whose employees have access to classified information, without such problems arising.

The Commission recognizes that there will be substantial obstacles to overcome if this proposal is to be enacted into law. Further, it will not be easy for agency heads to decide to avail themselves of this authority even if it is enacted. The pressures will be intense not to do so. But the Commission sees no alternative way of alleviating the problem and restoring the health of the intelligence function.

### **Promoting “Community”**

While “jointness” has been embraced by the military, the concept has yet to take root firmly in the Intelligence Community. Intelligence agencies tout the virtue of a “Community” approach to intelligence, but their personnel and administrative systems belie their enthusiasm. As noted earlier, the largest intelligence agencies maintain separate administrative, personnel, security, and training systems. Not only are the systems independent, but there is little or no standardization among them.

Similar conclusions have been reached by numerous studies reviewed by the Commission, all urging greater consolidation of personnel and administrative functions and use of common standards. (See inset.) While leaders within the Community have repeatedly supported the recommendations made in these studies, little appears to have been done to implement them. Each agency continues to:

- ◆ establish its own pay scales and employee benefits;
- ◆ establish its own criteria for proficiency in job skills, even though such skills may be in use in other agencies;
- ◆ maintain its own system for evaluating the performance of employees;
- ◆ establish its own security requirements for employees and contractors and for the protection of its facilities;
- ◆ operate, with a few exceptions, its own training programs;
- ◆ issue its own identification badges;
- ◆ publish its own vacancy announcements and do its own job recruiting; and
- ◆ run its own career development program.

While the Commission is willing to accept that some latitude is needed for individual agencies to satisfy their unique requirements, we see no reason for all of these programs and activities to be administered separately, or, at least without greater uniformity. The lack of standards and cooperative arrangements increase the costs of the activities involved to the Government and also discourage movement between organizations, which is crucial to fostering “Community.”

**9-2. The Commission recommends that the DCI, using the Community Management Staff, establish common standards for the Intelligence Community in the areas of skill proficiencies, personnel evaluation systems, trial period performance criteria, personnel allowances and benefits, and personnel and physical security.**

**9-3. The Commission recommends that the DCI, using the Community Management Staff, establish cooperative arrangements within the Intelligence Community in the areas of job recruiting, the conduct of background investigations, internal and external training programs, and the sharing of common facilities.**

Special emphasis also needs to be given to promoting rotational assignments among intelligence agencies. While a limited amount of this is done, there remains little incentive for an employee to take a rotational assignment out of his or her home agency. On the contrary, a rotational assignment tends to take an employee out of a normal career progression and usually involves cumbersome security and personnel processing (e.g., skill recertification, polygraph examinations).

Yet rotational assignments appear the most feasible and effective means to promote “Community.” Not only do they provide an employee of one agency an opportunity to become familiar with another agency’s operations, they tend to break down stereotypes and foster personal contacts and synergies that last long after the rotational assignment is over. *In our view, rotations should become the norm rather the exception within the Intelligence Community.*

**9-4. The Commission recommends that at least one rotational assignment to another agency within the Intelligence Community be established as a prerequisite for promotion to the Senior Executive Service level within each intelligence agency.**

## **Increasing the DCI’s Control of Intelligence Personnel**

Out of exasperation with the lack of progress to date, a number of those interviewed urged the Commission to consider addressing the foregoing problems (e.g., eliminating duplicative activities and promoting a “Community” approach) by giving the DCI control over personnel within the Intelligence Community. The DCI would issue uniform standards, direct that functions be consolidated, and rotate Community personnel unilaterally.

Clearly, such authority would require new legislation. But apart from that difficulty, the Commission does not believe that this idea is either feasible or desirable. It is not feasible because the DCI simply lacks the capacity to manage the large and complex

personnel and administrative operations of the Intelligence Community. It is not desirable because agencies within the Intelligence Community should have the ability to take necessary actions to satisfy their personnel and administrative requirements.

Nevertheless, there is a need for an overall, comprehensive personnel strategy for the Intelligence Community that today is lacking. The present decentralized system simply does not allow for this type of planning or execution.

A possible middle ground would be to make senior executives within the Intelligence Community part of a separate personnel system under the overall management of the DCI. Similar to the original concept for the Government's Senior Executive Service, executives who were part of a "Senior Intelligence Service" (SIS) would be interchangeable across the Community. Departments and agencies would retain their existing SIS billets, but the concurrence of the DCI would be required for the appointment, promotion, and removal of SIS employees. The DCI would promulgate uniform regulations setting SIS pay rates (including performance award pay), performance appraisal standards, promotion guidelines, and standards for appointment to and removal from the SIS.

Proponents of this option see considerable benefits in such a system. It would go far toward achieving a "Community" approach, for the first time making senior managers accountable to the DCI. It would help overcome the parochialism that often prevents agencies from effecting costs savings and efficiencies. It would facilitate consistency and effectiveness in the training of senior managers and provide a cadre of professionals with broad-based Community experience which does not exist now. Moreover, it could provide a framework in which the pervasive shortcomings of the Intelligence Community in the personnel area could be addressed in a uniform way, leading to improved training, more effective performance appraisal systems, and career development programs for the entire Intelligence Community. In short, a Community-wide SIS system could have a cascading effect at every level of the workforce.

At the same time, such a system would create dual lines of responsibility for the senior executives in the system. They would be responsible to the agency head whom they served on a daily basis and who would presumably rate their performance; at the same time, they would be responsible to the DCI, at least to the extent that the concurrence of the DCI was required for their appointment, promotion, and removal.

The Commission believes the means can be found to reconcile the administrative difficulties created by such a system, and, on balance, the potential advantages of such a system clearly outweigh its disadvantages.

**9-5. The Commission recommends enactment of legislation to establish a Senior Intelligence Service for the Intelligence Community under the overall management of the DCI.**