

TOP SECRET//SI//TK//NOFORN

FY 2013 Congressional Budget Justification

Volume I

NATIONAL INTELLIGENCE PROGRAM SUMMARY

FEBRUARY 2012



TOP SECRET//SI//TK//NOFORN

Access to the information in this document is restricted to US citizens with active SCI accesses for **SPECIAL INTELLIGENCE** and **TALENT-KEYHOLE** information.

DISSEMINATION CONTROL ABBREVIATIONS

NOFORN - Not Releasable to Foreign Nationals

This Component Budget of the National Intelligence Program is produced pursuant to provisions of Executive Order 12333, as amended by Executive Order 13470, and section 102A(c) of the National Security Act of 1947, as amended.



NATIONAL SECURITY INFORMATION

Unauthorized Disclosure Subject to Criminal Sanctions



(U) DIRECTOR OF NATIONAL INTELLIGENCE STATEMENT

(U//FOUO) The Intelligence Community (IC) is crucial to ensuring the Nation's safety and security. We face worldwide threats that are expanding in scope and complexity. This Fiscal Year (FY) 2013 National Intelligence Program (NIP) budget reflects hard choices to ensure critical national security requirements are addressed in the face of a reduced budget environment. We must be prepared to accept -- and manage -- reasonable risk.

(U//FOUO) Keeping America safe by providing the finest intelligence support to our policymakers, military, law enforcement partners, and allies remains our highest priority. With the superb talent and ingenuity of our workforce, the IC will continue to deploy the most technologically sophisticated and innovative intelligence capabilities in the world. Through integration and efficiency, we will sustain responsive, insightful intelligence support.

(S//NF) The FY 2013 NIP budget of \$52.6 billion (including \$4.9 billion for Overseas Contingency Operations (OCO)) and 107,035 positions supports the National Intelligence Strategy and advances our Nation's security priorities. This budget represents a decrease of \$1.3 billion, or 2.4 percent, below the FY 2012 enacted level; and it reduces personnel by 1,241 positions, or one percent. The request meets the fiscal demands laid out in the Budget Control Act by setting the IC on a path to reduce expenditures by \$25 billion for ten years; with over \$15 billion of that amount saved by FY 2017.

(U) Developing a Balanced Intelligence Budget

(S) The IC leadership worked as a corporate body to develop the budget. The team first drew on lessons learned from the drawdown in the 1990s, which left the IC with a distorted workforce that lacked sufficient mid-career personnel and technical expertise. As a result of that drawdown, the IC reverted to extraordinary measures to rebuild and balance the workforce. Moreover, we deferred infrastructure recapitalization, resulting in obsolete facilities, single point failures, and inadequate power, space, and cooling. We also delayed investment, reducing our ability to keep pace with technical advances to meet mission needs.

(U) Second, we looked forward to determine how best to meet increasing mission requirements over the next decade in a resource-constrained environment. The IC leadership weighed the relative merit of capabilities and looked at dependencies across the components. In addition, we coordinated closely with the Defense and domestic departments to minimize disconnects and ensure balance.

(S) At the outset, I determined that we would not take a proportional reduction from each IC program, but rather compare relative merits of programs. We carefully weighed cost and risk to understand both the short and long term impact of our actions. To maximize investments for the future, we focused reductions on lower priority capabilities; sought efficiencies and smarter ways to do business; and prudently accepted risk. Overall, this budget is guided by the imperative to achieve the right balance against competing demands. Our guiding principles were to:

- (U) Sustain a skilled workforce;
- (U) Focus on further integration and collaboration;
- (U) Bolster agile capabilities that support multiple missions;
- (S) Enhance counterintelligence; and
- (U) Protect key investment for the future.

(U) Reductions

(U) To the extent possible, we protected the activities highlighted above; but with the magnitude of the reduction, we could not avoid limited, targeted cuts to priority areas. The following are some activities reduced from the base budget plan:

- (S//NF) ***Sustained Congressional Cuts***. We sustain FY 2012 cuts to the CIA's Global Deployment Initiative and NRO's Integrated Ground Architecture.
- (S) ***Workforce***. We continue Congressional reductions to the government workforce; curtail plans for future personnel growth, and take targeted reductions to baseline personnel where the risk can be managed. Furthermore, we reflect savings from a lower than projected civilian pay raise and continue to reduce our reliance on core contractors.
- (TS//NF) ***Operations***. We decrease collection, production, and hard copy media generation in the GEOINT system, slow SIGINT network exploitation and processing modernization; cut GDIP HUMINT, non-core MASINT, covert action programs, and some Specialized Reconnaissance Programs (SRP) operations; and streamline the ODNI business transformation activities. Furthermore, we discontinue or terminate some lower-priority missions, such as de-orbiting the Baseline ONYX satellite and transferring funding responsibility to the MIP for legacy satellites.
- (S//TK//NF) ***Long-Term Investments***. We are terminating an NRO compartmented project, delaying TOPAZ performance enhancements until the second generation of TOPAZ satellites; and reducing technology insertion opportunities in other satellites. In addition, we are delaying some SRP investments and terminating the Community's investment in a consolidated human resources information system.
- (S//NF) ***Infrastructure***. We reduce enterprise management activities; eliminate the IC Data Center; downsize the IC Bethesda Campus; suspend some facility improvements; and delay the replacement of aged facility components. As a result, we will continue to house some of the IC workforce in older and less capable facilities that may not meet current antiterrorism/force protection requirements and we will accept some degradation in the IC's facility condition index.
- (S//NF) ***Information Technology***. We reduce capital equipment replacement and recapitalization; decrease support for heritage systems; delay consolidation of older systems; and eliminate plans for additional backup systems. These offsets prevent spending to sustain or improve legacy environments when our direction is to establish a new IT environment based on more centralized common services. Investments required to establish a more efficient IC IT Enterprise are protected.

(U) Investments

(U) Although the budget is declining, the mission is not. Prioritizing our requirements was a key element to produce a budget that meets customer needs, supports critical capabilities, addresses gaps, and helps to maintain a strategic advantage. In the FY 2013 NIP budget, the IC makes targeted investments in:

- (TS//SI//NF) ***Signals Intelligence (SIGINT)***. We are bolstering our support for clandestine SIGINT capabilities to collect against high priority targets, including foreign leadership targets. Also, we are investing in groundbreaking cryptanalytic capabilities to defeat adversarial cryptography and exploit internet traffic.
- (S//NF) ***Cybersecurity***. As the cyber threat continues to grow, we sustain the budget for the Comprehensive National Cybersecurity Initiative and begin construction of a second High Performance Computing Center at Fort Meade, Maryland to keep pace with cyber processing demands.

- (TS//NF) **Counterintelligence (CI)**. To further safeguard our classified networks, we continue to strengthen insider threat detection capabilities across the Community. In addition, we are investing in target surveillance and offensive CI against key targets, such as China, Russia, Iran, Israel, Pakistan, and Cuba.
- (S//TK//NF) **Major System Acquisitions (MSA)**. We are sustaining the acquisition baseline and maintaining the schedule for the MSAs that replace current capabilities. For example, the NRO is modernizing overhead SIGINT, geospatial, and communications major system acquisitions. To reduce reliance on the Tracking and Data Relay Satellite System (TDRSS), the NRO begins investing in a special communications capability. Also, launch requirements are fully funded.
- (S//NF) **Ballistic Missile Collection**. We are pursuing an affordable MASINT solution for integrating, improving, and sustaining coverage of and collection against North Korean, Iranian, Chinese, Russian, Pakistani and other ballistic missiles threats.
- (S//NF) **Mission Focused Science & Technology (S&T)**. We continue investing in cutting edge S&T that enables new mission capabilities. We are tackling hard problems in quantum computing, biometrics, cyber, weapons of mass destruction, and large complex data sets.

(U) Optimizing Our Efforts

(U) To succeed, the IC must employ its resources judiciously. The need to integrate all elements of the IC is essential to identify opportunities as well as dangers. In FY 2011, the elimination of Usama Bin Ladin along with 32 other high value targets is just one testament to IC collaboration. Our ability to rapidly respond to the requirements of Operation Unified Endeavor, while simultaneously maintaining support for operations in Afghanistan, Iraq, and around the world, is another. We achieved this by reducing the cultural, technological and policy barriers to sharing information, and exploring new strategies for integrating our intelligence efforts. The FY 2013 budget sustains the imperative of integration, and provides the framework and common solutions to further collaboration.

(U) Focusing on Integration

(U) The Office of the DNI has promoted information sharing and collaboration through the integration of analysis and collection at the strategic level. This has improved mission management of key intelligence problems, leading to a sharper focus on, and encouragement of, integration within the Community. The heightened attention on intelligence integration has changed the dynamics of intelligence activities. Without requiring individual IC elements to reorganize, the emphasis on integration has led Community elements to think and operate in ways that are responsive to strategic management and direction that encourages, recognizes, and rewards integrated intelligence operations.

(U//FOUO) The National Intelligence Managers (NIM) are the principal agents of mission integration. They oversee and integrate all aspects of the IC's efforts against a particular regional or functional problem to provide a more complete understanding of the associated issues. A major responsibility includes the development, planning, execution, and oversight of Unifying Intelligence Strategies (UIS) for their individual accounts, with the principal aim of managing the relevant policies, priorities, and relationships among the IC elements who participate in each of these target domains.

(U//FOUO) These UIS are the instruments that are used to integrate IC efforts against critical priorities. Each UIS supports decision-making by outlining gaps and challenges, as well as opportunities that would most benefit from integration of IC efforts. In addition, the UIS present a select number of integration initiatives to provide a holistic perspective across the strategies.

(U) Promoting Information Sharing

(U) Information sharing also is a critical enabler of integration across the Community. This budget begins to implement a restructuring of the IC information technology (IT) architecture that will provide a strong backbone enabling greater IC integration, information sharing, and improved safeguarding of networks. The need for the IC to contribute to deficit reduction was the catalyst for achieving greater efficiencies in information technology. The IC IT Enterprise will transform from agency-centric IT programs which are often duplicative and costly, to greater centralization of common services for IC-wide use. Within this framework, we are leveraging existing efforts across the Community and sustaining unique approaches only when they are essential to the mission. Furthermore, we are investigating data management solutions and their associated security issues, such as the viability of comingling data in virtualized data stores to facilitate analytical integration of different data from different sources and Agencies. This includes new management and operating practices for the secure storage and handling of the varied information contained in different intelligence systems through the use of cloud computing.

(U) Engaging Partners

(U) Expanding the IC's culture of sharing with our partners is essential to leverage and maximize our collective capabilities. We are strengthening relationships with federal, state, local, tribal, and international partners to fuse domestic and foreign intelligence to quickly understand and act on threats. Through coordinated efforts, we can optimize our efforts to improve intelligence support.

(U) As part of the Administration's overall foreign trade initiative, the IC will more closely coordinate its intelligence gathering and analysis efforts with federal agencies responsible for monitoring foreign trade barriers and enforcing U.S. trade rights under international trade agreements. The IC will directly support and strengthen U.S. interagency trade enforcement efforts to address unfair trade practices through the World Trade Organization and under other domestic and international trade enforcement authorities

(U) Furthermore, the IC is postured to support the warfighter as the Department of Defense implements a new strategy. The strategy is consistent with the IC approach to the FY 2013 budget. We will support the increased focus on the Pacific region, and surge as needed for military operations. In addition, we expect there will be a greater reliance on the IC to provide global coverage and warning of emerging threats.

(U) Aligning Resources

(U) This year, the IC implemented guiding principles to clarify responsibility for programming NIP resources.

(S) The IC developed guidelines to more clearly delineate programming responsibility for the NIP and the MIP to further optimize resource allocation. These guidelines better align NIP and MIP resources with mission requirements, reduce the number of split funded projects, and enable more efficient budget execution. The FY 2013 budget begins to implement the guidelines by transferring \$165 million and 1,078 positions between the NIP and MIP. This transfer maintains the mission, function, and execution of activities; it does not represent growth in either program.

(S) In addition, the DHS Office of Intelligence and Analysis (I&A) implemented a change in how it accounts for resources that support the intelligence mission. Beginning in the FY 2013 budget, activities that predominately support departmental missions are funded outside the NIP. Under the new methodology, \$11 million and 44 positions are transferred out of the NIP.

(U) Supporting Current Intelligence Operations

(S//NF) In FY 2013, the IC will continue to provide crucial intelligence support to military operations in Afghanistan and to combat terrorism worldwide.

(S//SI//NF) The request for Afghanistan and Pakistan decreases as support for the military's counterterrorism and counterinsurgency operations declines, coincident with planned troop reductions. Accordingly, this request sustains HUMINT and CI operations, along with the related analytic, processing, and exploitation capabilities.

Also, NSA is augmenting SIGINT access and penetration, and Treasury enhances threat finance analysis to track terrorist and insurgent networks.

(TS//NF) With the completion of the military drawdown in Iraq, intelligence support transitions to a smaller long-term presence. The IC's request is significantly reduced from FY 2012 as our support focuses on providing foreign intelligence in support of diplomatic activities and monitoring Iraq's plans and intentions and those of its volatile neighbor, Iran. This budget sustains HUMINT operations, with a smaller footprint, as well as SIGINT collection capabilities. Most support for media exploitation, commercial imagery, and other operational enablers is eliminated.

(TS//NF) The counterterrorism (CT) mission requires a global perspective to predict, penetrate, and preempt global threats to U.S. security. Therefore, the IC is sustaining operations, analytic, and enabling activities. With Yemen, Somalia, and other Horn of Africa countries emerging as the most recent breeding ground for terrorism, the IC is increasing efforts in those regions. Furthermore, we are sustaining CT capabilities in Libya to deny extremists a safe haven. In an effort to reduce our reliance on OCO as a funding vehicle, we transfer to the base some enduring long term activities.

(S//NF) The counterproliferation (CP) mission continues to support a variety of actions to deter, disrupt, and prevent proliferation. This includes improving our understanding of Pakistani nuclear weapons and dangerous nuclear material security; intelligence on proliferators, such as Iran and North Korea, to roll back and block weapons programs; increasing our ability to ascertain global chemical and biological threats; and better integrating multidiscipline coverage of WMD targets such as chemical weapons in Libya and Syria.

(U) Moving Forward

(S//NF) Today's national security threats virtually defy rank-ordering. Capabilities, technologies, know-how, communications, and environmental forces are not confined by borders, and can trigger transnational disruptions with astonishing speed. Never before has the IC been called upon to master such complexity and so many issues in such a resource-constrained environment. We are rising to the challenge by continuing to integrate the IC, capitalize on new technologies, implement new efficiencies, and, as always, remaining vigilant 24/7 worldwide.

(U//FOUO) The pressure to maintain the world's premier intelligence enterprise in the face of shrinking budgets will be difficult. We will accept and manage risk, more so than we've had to in the last decade.

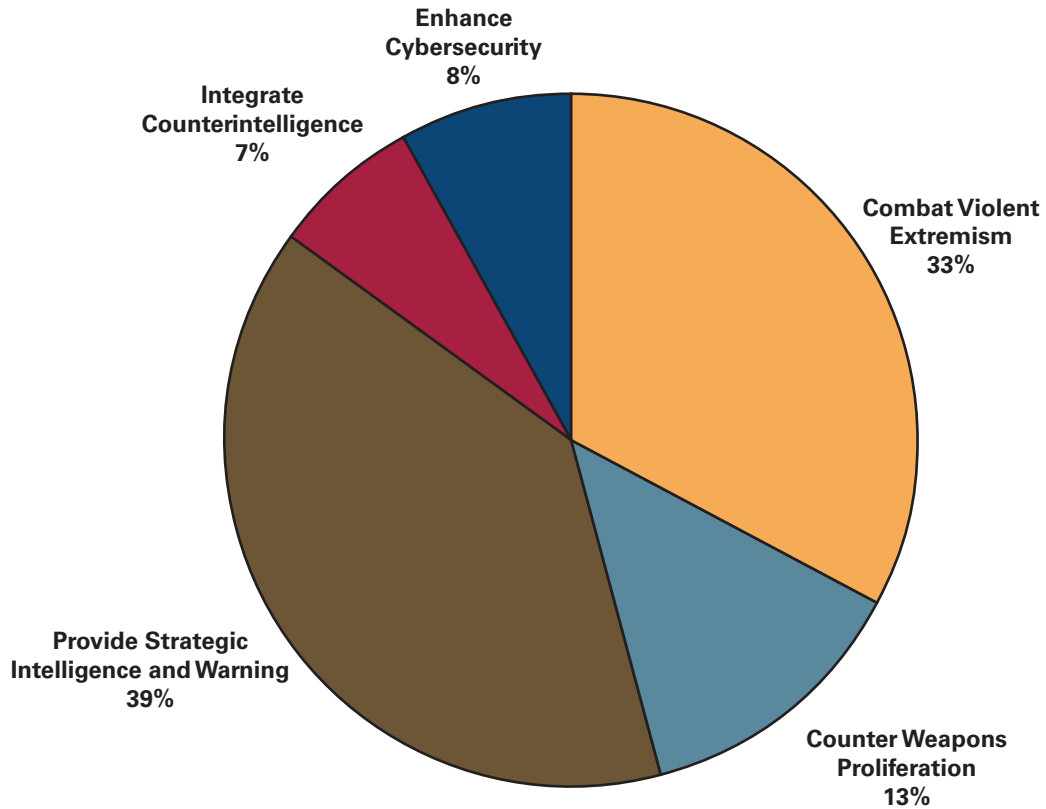
(U//FOUO) This NIP budget proposed is balanced and executable. It does not reflect the potential for a sequester in January 2013. Instead, the FY 2013 President's Budget proposes savings in other areas that exceed the Joint Committee threshold, and as a result seeks to cancel the automatic reductions and restore the caps to the original definitions in the Budget Control Act.

(U) Intelligence is the first line of defense. This budget provides the programs and initiatives vital to our national security. Our partnership with you -- our Congressional oversight committees -- is critical to our collective success. With your continued support, the IC can continue to fulfill our mission to keep America and its interests secure.



FY 2013 Mission Objective Funding*

\$52.0 Billion
CIARDS funding not included.



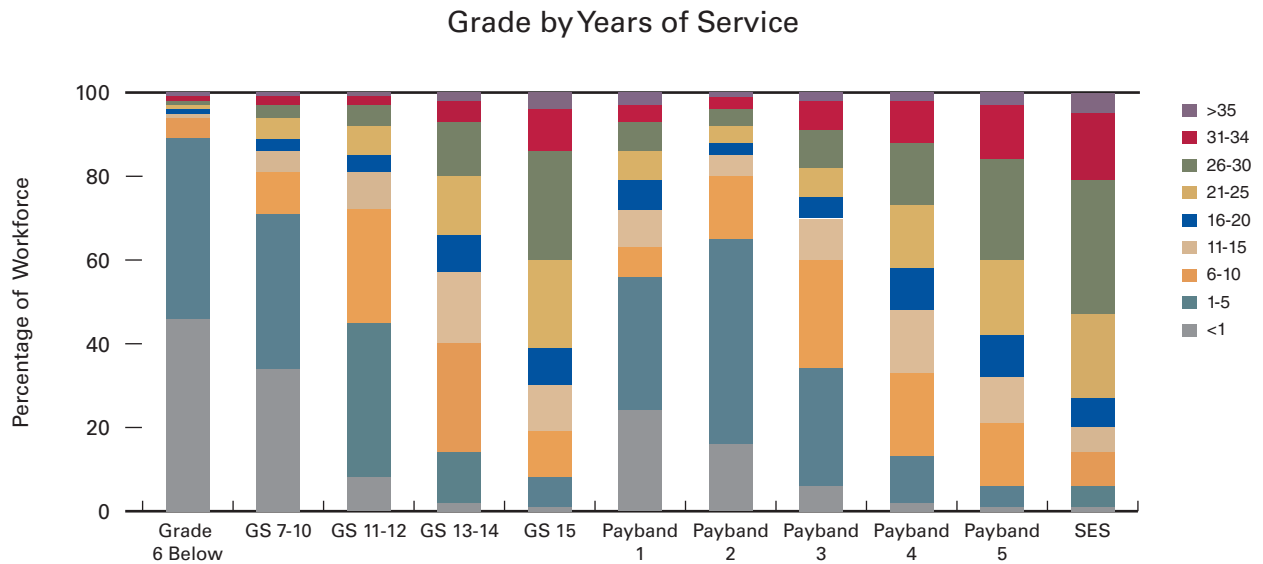
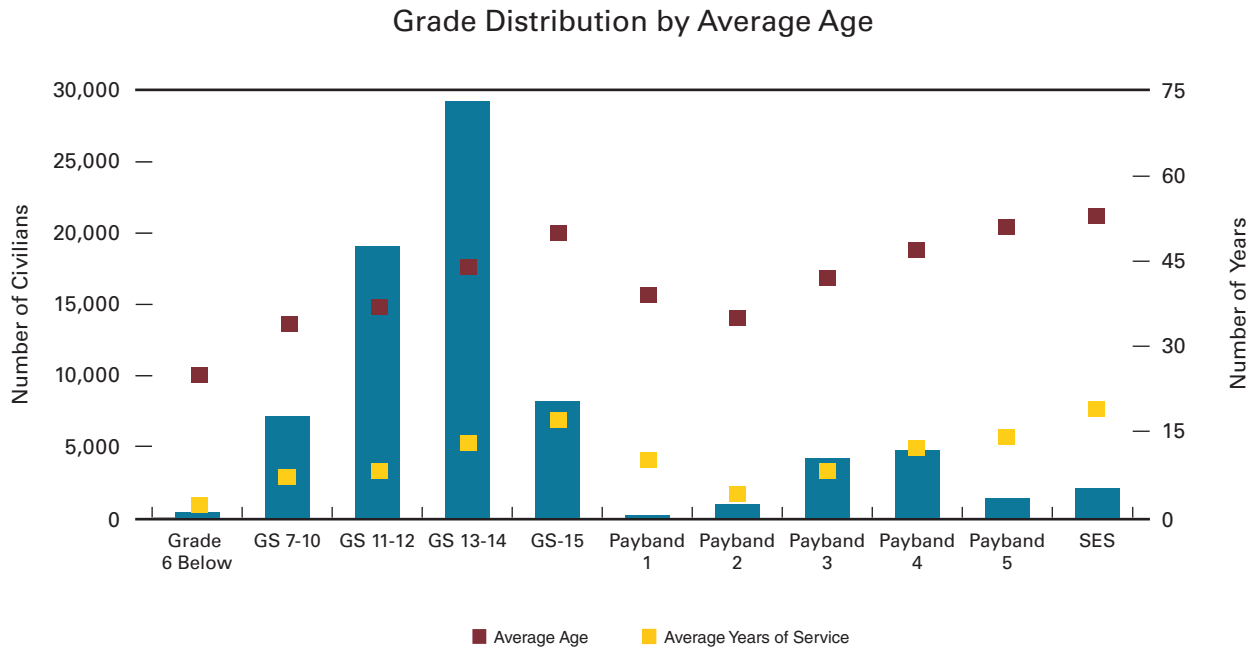
* MO6: Support to Current Operations is covered in other MO sections.

Figure 1.

This Figure is SECRET//NOFORN

116030_vol01_ill01.ai

FY 2011 Intelligence Community Civilian Workforce



Note: This chart contains data adjusted to facilitate display in whole percentages only and some categories with <0.50% will display as 0%. Actual percentages are available upon request.

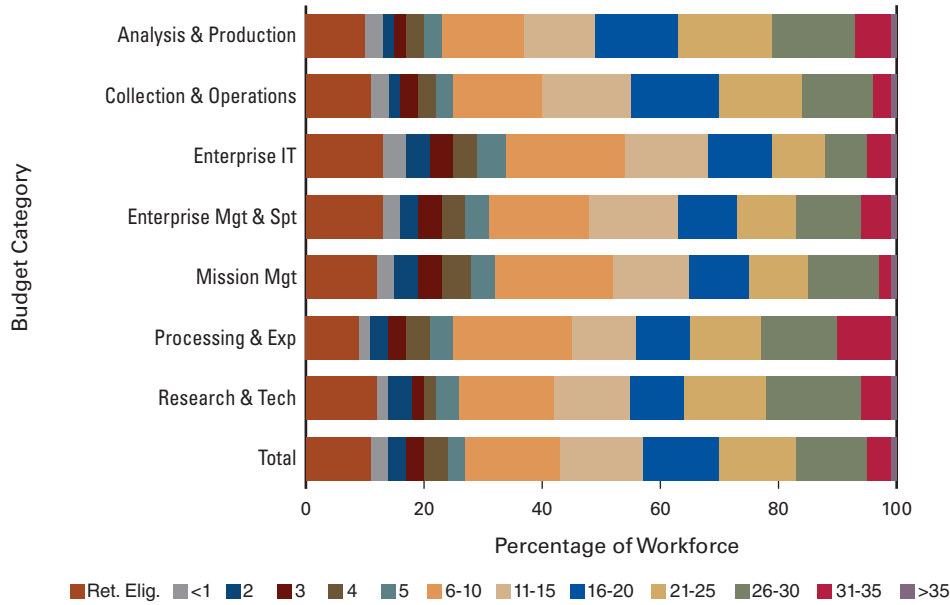
Figure 2.

This Figure is SECRET//NOFORN

116030_vol01_ill02.ai

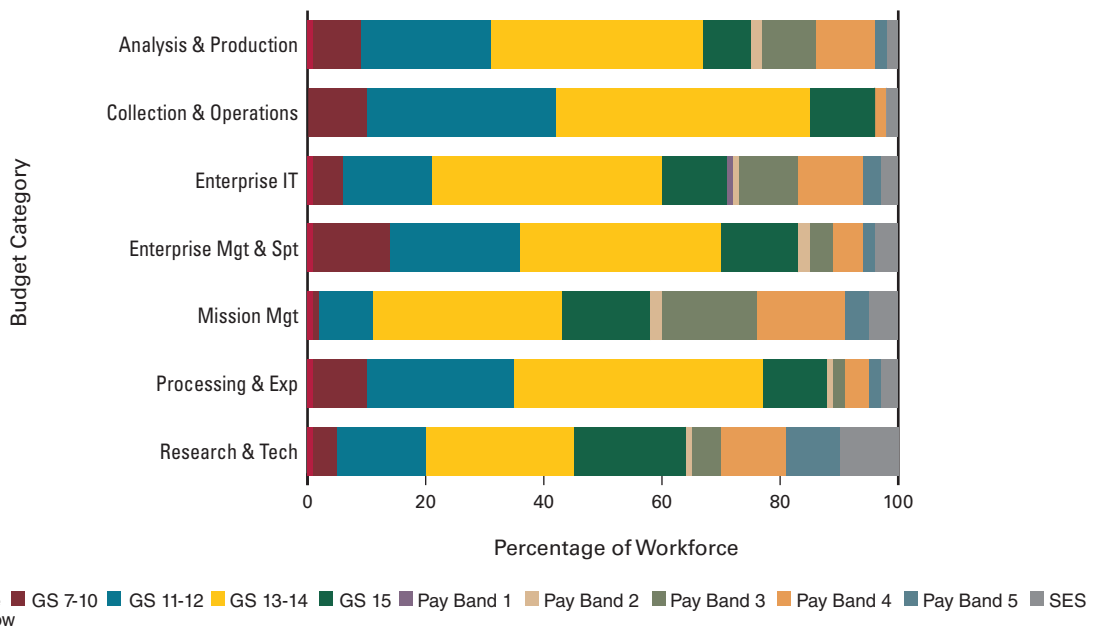
FY 2011 Intelligence Community Civilian Workforce

Years to Optional Retirement



Note: This chart contains data adjusted to facilitate display in whole percentages only and some categories with <0.50% will display as 0%. Actual percentages are available upon request.

Budget Category by Grade Levels



Note: This chart contains data adjusted to facilitate display in whole numbers only. Actual figures are available upon request.

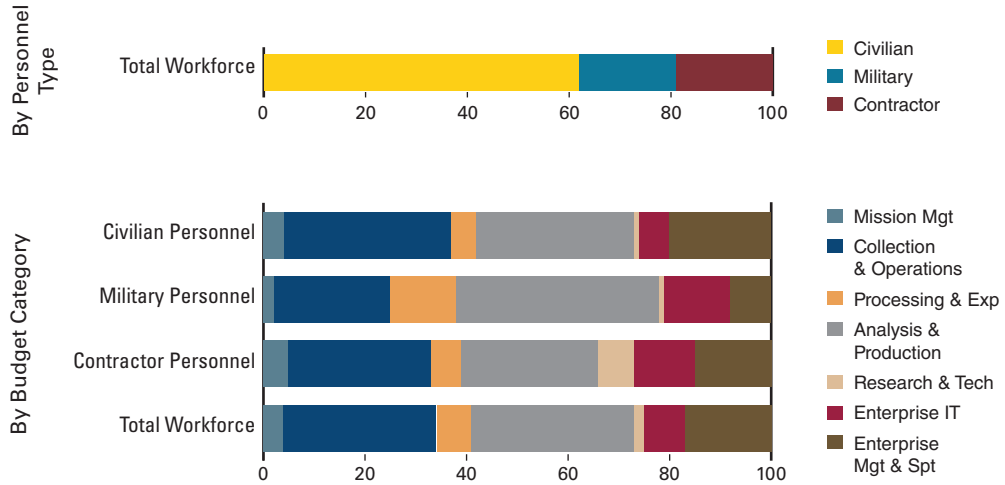
Figure 3.

This Figure is SECRET//NOFORN

116030_vol01_ill03.ai

FY 2011 Intelligence Community Workforce

Total Civilian, Military, and Contractor Personnel Workforce by Personnel Type and Budget Category



Note: This chart contains data adjusted to facilitate display in whole percentages only and some categories with <0.50% will display as 0%. Actual percentages are available upon request.

Civilian Workforce/Attrition

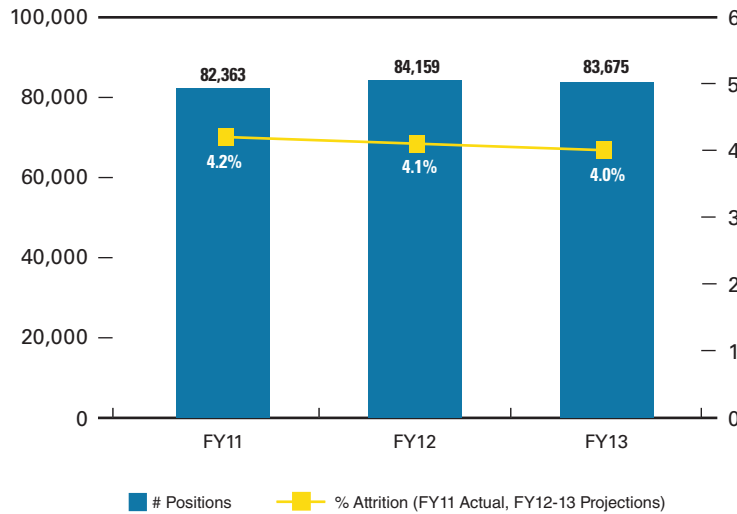


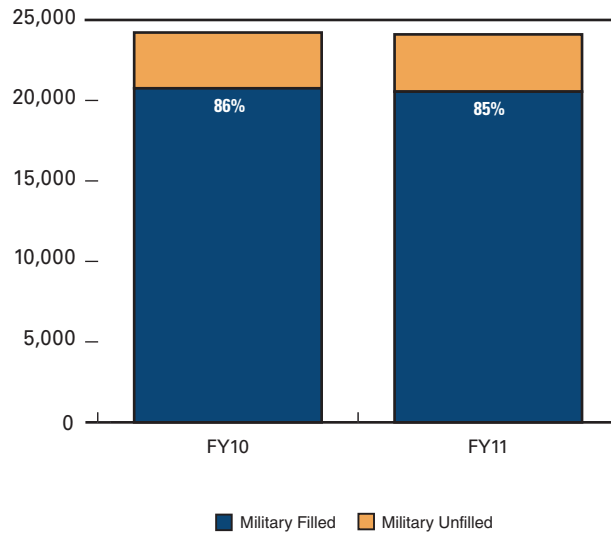
Figure 4.

This Figure is SECRET//NOFORN

116030_vol01_ill04.ai

FY 2011 Intelligence Community Workforce

Military Workforce/Fill Rates



Foreign Language Proficiency Payments: Total NIP*

Top Foreign Languages	Civilian	Special Interest Languages	Civilian
Spanish	2,725	Tagalog	62
French	827	Indonesian	48
Chinese (All Dialects)	903	Hindi	73
Arabic (All Dialects)	1,191	Somali	5
Russian	736	Pashto	88
German	521	Persian - Afghan (Dari)	96
Korean	490	Urdu	89
Persian (Farsi) - Iranian	357	Punjabi	45
Portuguese	295	Hausa	3
Other Languages **	1,639		
Total	10,193	Total Special Interest	509

*Includes payments to 7,507 U.S. Government civilian personnel in CIA, DIA, FBI, NGA, NSA, and others included in the program volumes.

**There are up to 71 "Other" Languages for which proficiency payments are made. The complete list is available upon request.

Figure 5.

FY 2013 Request by Program

\$52.6 Billion

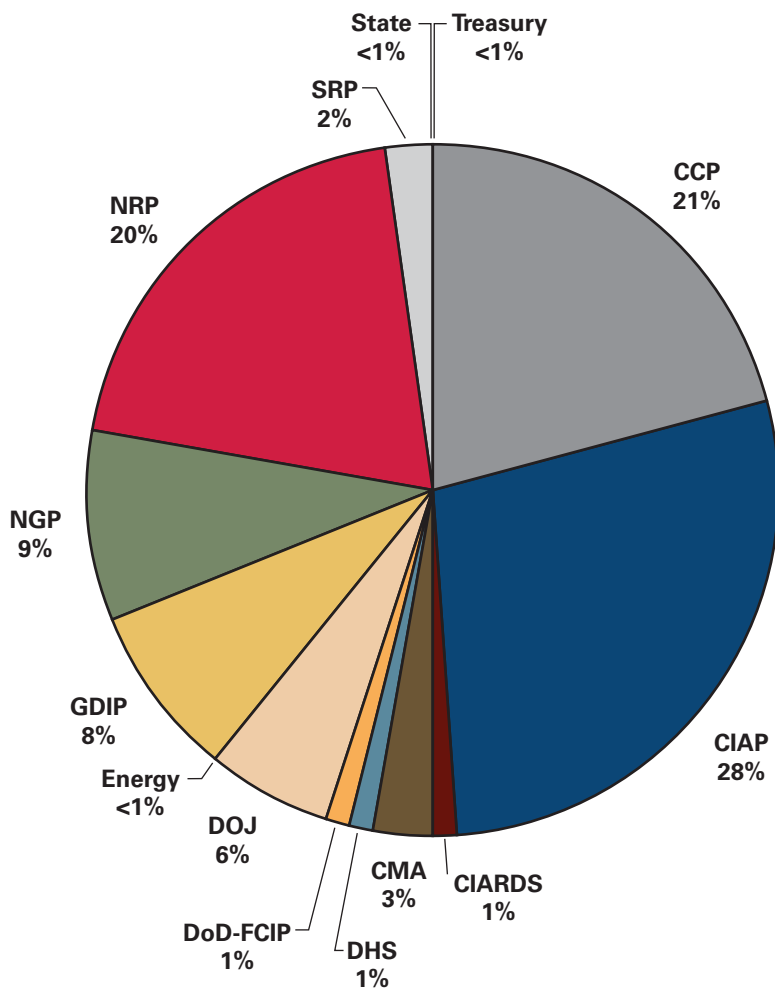


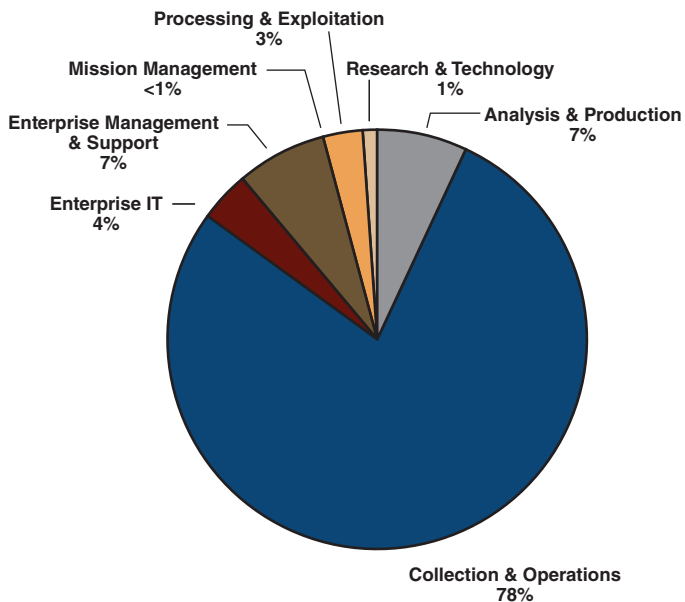
Figure 6.

This Figure is SECRET//NOFORN

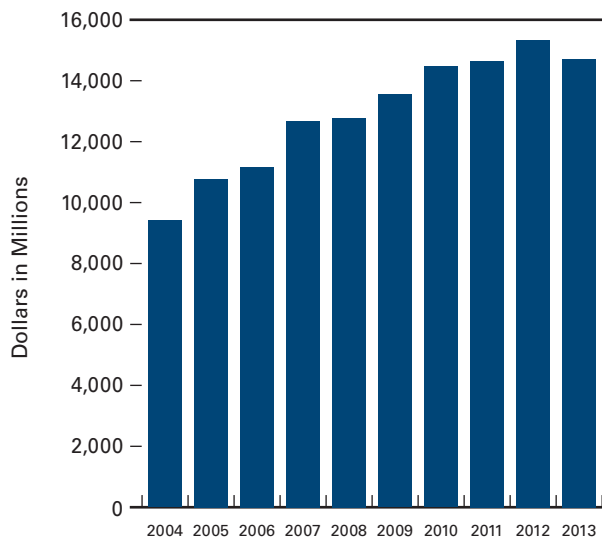
116030_vol01_ill06.ai

Central Intelligence Agency Program

FY 2013
Funding by Budget Category



Funds FY 2004 - FY 2013



Positions FY 2004 - FY 2013

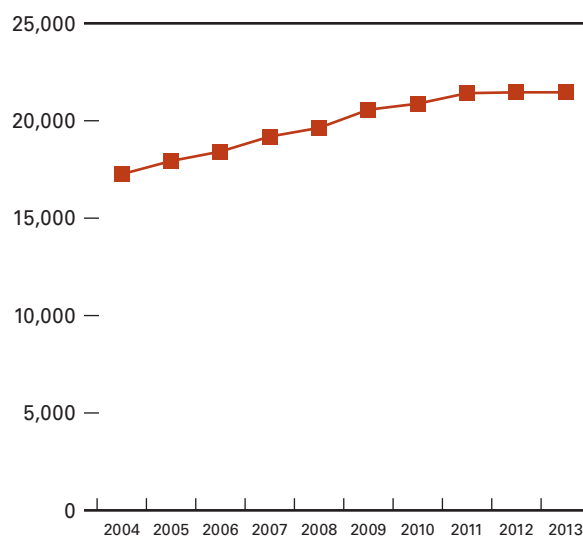


Figure 7.

This Figure is SECRET//NOFORN

116030_vol01_ii107.ai

Community Management Account

FY 2013
Funding by Expenditure Center

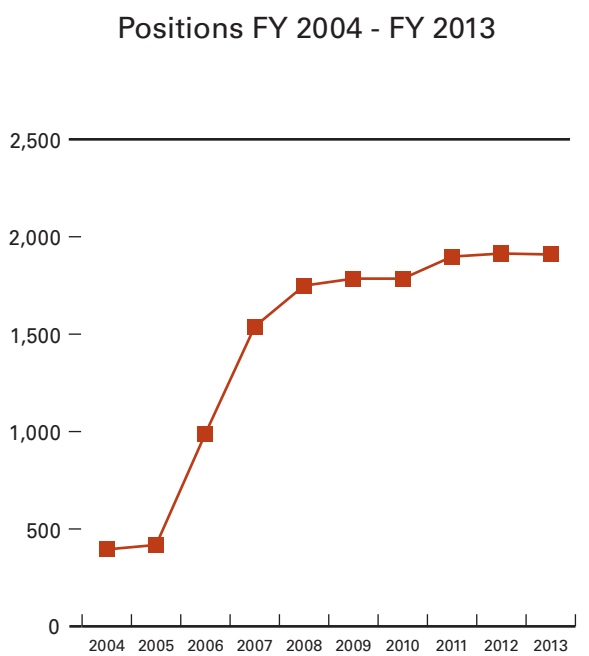
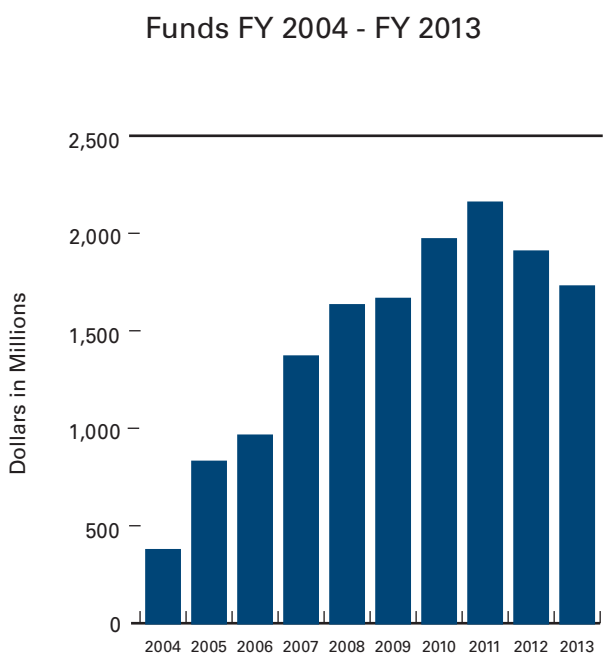
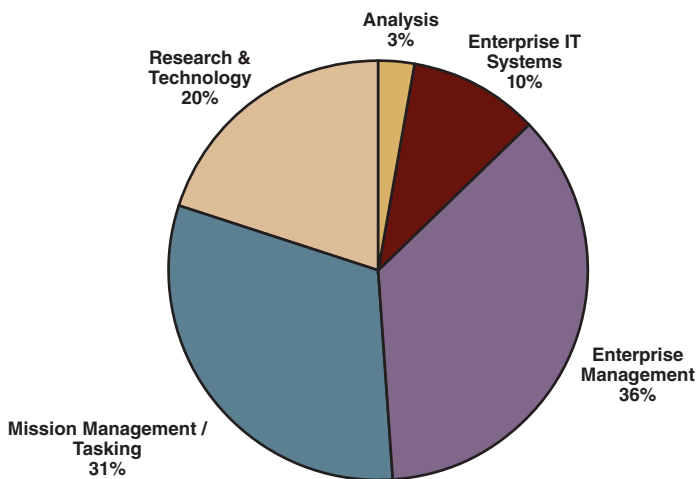


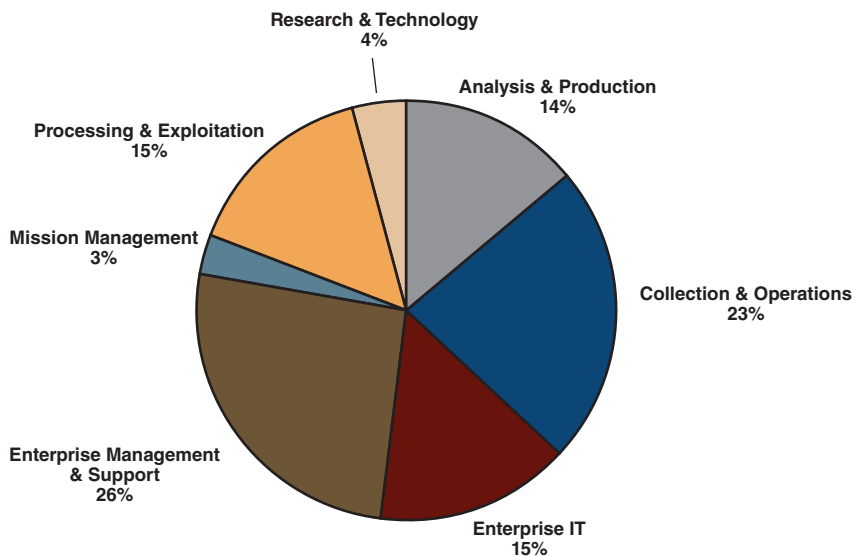
Figure 9.

This Figure is SECRET//NOFORN

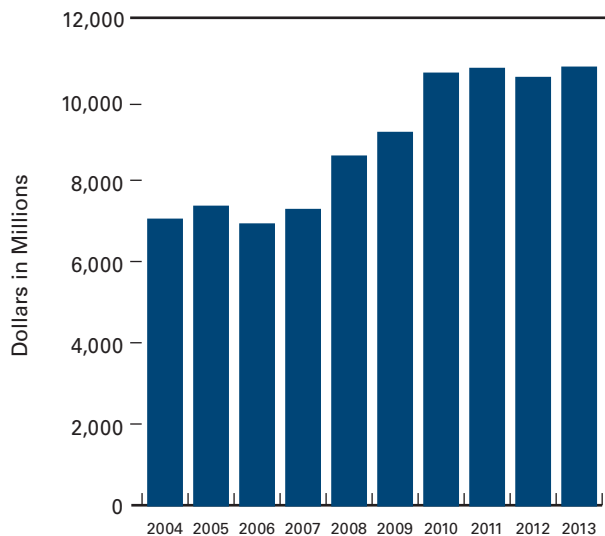
116030_vol01_ill09.ai

Consolidated Cryptologic Program

FY 2013
Funding by Budget Category



Funds FY 2004 - FY 2013



Positions FY 2004 - FY 2013

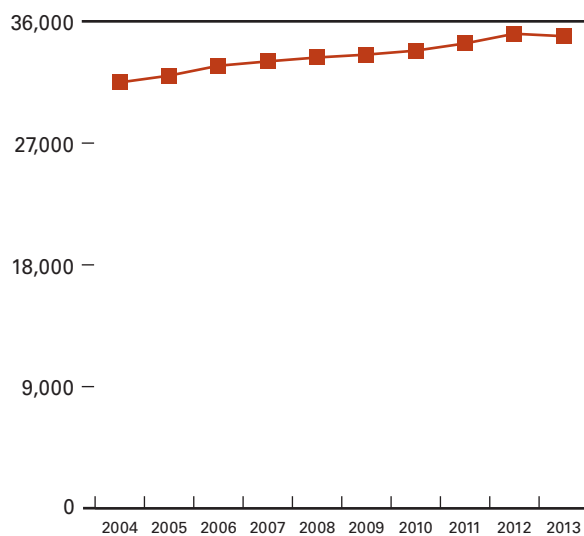


Figure 10.

This Figure is SECRET//NOFORN

116030_vol01_ill10.ai

National Reconnaissance Program

FY 2013
Funding by Budget Category

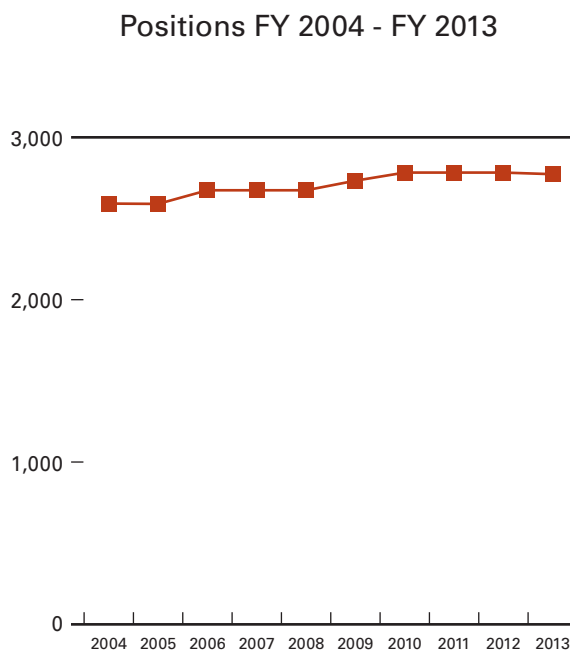
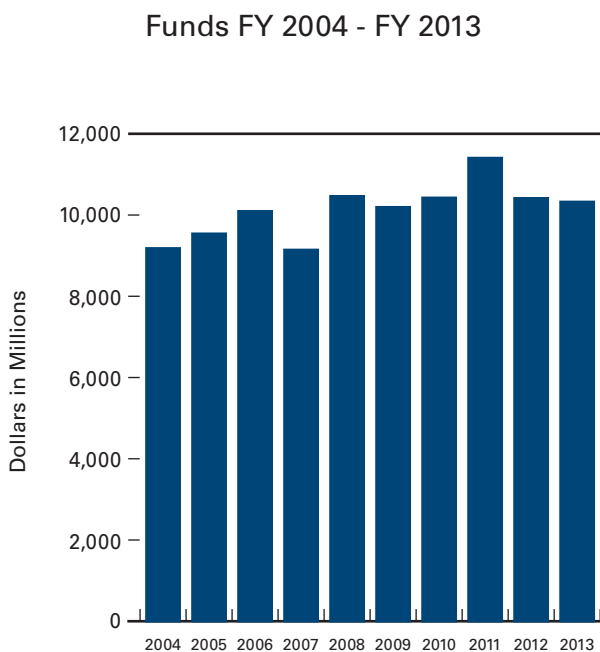
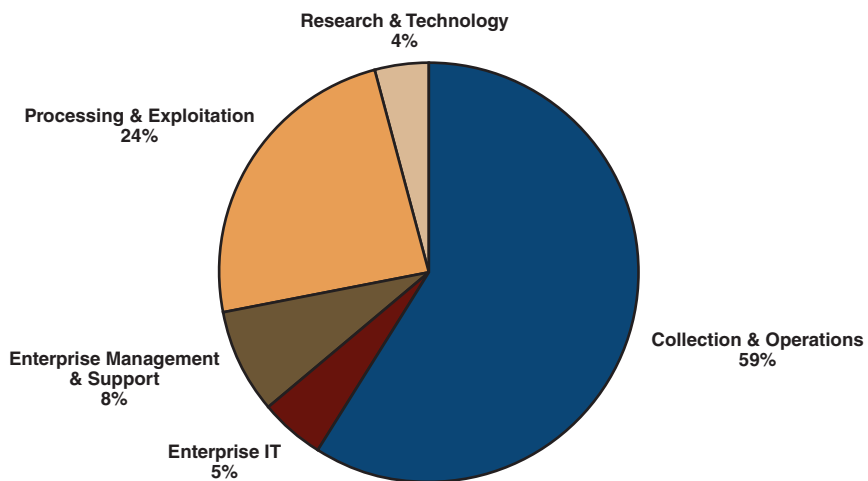


Figure 14.

This Figure is SECRET//NOFORN

116030_vol01_ill14.ai