The US Intelligence Community did not have a national-level, interagency capability to analyze overhead photography until the establishment of the National Photographic Interpretation Center (NPIC) on 18 January 1961. The NPIC was established to analyze aerial reconnaissance photographs taken since the end of World War II. Advances in film, cameras, and aviation and the development of analytical methods by photointerpreters (Pis) enabled military commanders in World Wars I and II to identify bombing targets, locate and track enemy forces, determine the extent and strengths of fortifications, and assess the effectiveness of air and ground operations. During World War II, the US Army Air Forces built a formidable capability to collect, analyze, and disseminate photographic intelligence. As in earlier conflicts, however, collection and interpretation capabilities declined rapidly as the United States demobilized after 1945. When war erupted in Korea in June 1950, the US military lacked a cadre of PIs and had to painstakingly reconstruct imagery intelligence processes and procedures to meet new crises.

The feast-or-famine nature of photo reconnaissance, the founding of CIA in 1947, and the fact that imagery intelligence had heretofore been a military tool caught the attention of Arthur C. Lundahl in 1951. Lundahl, a civilian with the Naval Photographic Interpretation Center, had worked as a PI during World War II and then as chief of the Navy's Photogrammetry Division. During the war, Lundahl studied photos of targets in Japan and the Aleutian and Kurile Islands and received the Navy Commendation Medal for his work in antisubmarine warfare. Already recognized as an eminent photogrammetrist by the early 1950s, Lundahl envisioned using aerial photography as one of several core components of all-source intelligence analysis. He also believed that military and civilian PI personnel should be combined into one national center to best use aerial photography to meet the intelligence needs of civilian policymakers and military commanders.

CIA picked up on Lundahl's ideas and investigated the role that overhead reconnaissance could play in the Agency's analytical work. A CIA study, published in April 1952, concluded that there was a "large potential demand for photo intelligence by the CIA that could not be met with the PI reports and limited PI services available in the military." In August 1952, DCI Walter Bedell Smith authorized the establishment of a photo interpretation unit within the Directorate of Intelligence's Office of Research and Reports. Lundahl left the Navy in May 1953 to direct the new Photo-Intelligence Division (PID). PID's office—a mere 800 square feet—was located in northwest Washington, DC, at the temporary M Building on 26th Street. PID had 13 employees and a budget of less than $43,000.

Initially, the Agency's small unit of PIs pored over captured German and Japanese reconnaissance photos of the Soviet Union taken during World War II and whatever the US Air Force had collected of "denied areas" behind the Iron Curtain during its overflight programs that had started in 1948. Much of this material had been filed away without analysis, but as soon as late 1955, CIA's PIs had demonstrated their usefulness by providing reports on Soviet missile developments that increasingly appeared in larger all-source analytical products such as national estimates.

The deployment of the U-2 reconnaissance aircraft over the Soviet Bloc in June-July 1956 forever ended the dilemma of a scarcity of images. The twenty-four U-2 missions over the Soviet Union conducted during the next four years inundated the small PID with hundreds of thousands of high-resolution photographs, in amounts and of a quality greater than anyone had imagined possible. That same year, as the need for imagery analysts grew, the upper four floors of the Steuart Motor Car Company at 5th Street and New York Avenue, NW, became PID's new home. To more fully exploit U-2
imagery for consumers beyond CIA, Lundahl approached the Defense Department about combining personnel in a joint photo interpretation center. The Army and Navy immediately participated by contributing personnel, funding, and equipment, but the Air Force did not follow until several years later. The new organization became known as the Photographic Intelligence Center (PIC) and opened for business in August 1958.

Lundahl intended for imagery analysis to form a major component of intelligence reporting and initiated the publication of a memo series to advise analysts about photography related to their areas of expertise. (The U-2 itself remained highly classified and was not mentioned in reports.) In addition, Lundahl aimed to put all of the specialized fields of photo intelligence under a single management structure in a central location, including training programs, photo interpretation, collateral information, machine support, photogrammetry, graphics, editorial assistance, and technical analysis. Lundahl's vision encompassed creating the IC's first modern technological processing center, with its own security system, code words, and procedures that allowed it to move its products directly to top policy makers and commanders.

On 1 May 1960, the Soviets shot down the U-2 piloted by Francis Gary Powers, exposing the U-2 program and ending aircraft reconnaissance overflights of the Soviet Union. Less than four months later, on 18 August 1960, imagery from CIA's first CORONA photo reconnaissance satellite was recovered and quickly filled the gap; the amount of film recovered from that first mission exceeded that obtained in all U-2 missions over the Soviet Union. In consideration of the U-2 shoot down, the advent of CORONA, and a perceived need to reorganize the Intelligence Community for greater efficiency, President Dwight D. Eisenhower authorized a team of senior intelligence officials from CIA and the State and Defense Departments to survey the United States' overhead reconnaissance collection and analysis capabilities. This Joint Study Group, chaired by CIA Inspector General Lyman B. Kirkpatrick, Jr., recommended that the president create a National Photographic Interpretation Center under joint CIA-Defense Department management to more effectively exploit imagery. On 18 January 1961, two days before he left office, President Eisenhower issued National Security Council Directive No. 8 that changed the name of the PIC and established NPIC under CIA management.

NPIC grew throughout the Cold War and eventually employed people at its peak in 1989. In May 1973 it moved from the DI to the DS&T, becoming the largest office in the directorate. Lundahl headed NPIC until his retirement in June 1973. For his contributions, he was awarded the National Security Medal, CIA’s Distinguished Service Medal, the Pioneer in Space Medal, the Order of the British Empire, and the DIA’s Director Award for Exceptional Civilian Service. In 1997 he was recognized as one of the first 50 CIA Trailblazers; his citation read in part, "Mr. Lundahl is recognized as the father of imagery analysis and the creator of a world-class national center for producing intelligence from overhead imagery. This thorough and highly technical intelligence enabled Lundahl to gain the confidence of four US presidents." Lundahl died in 1992. NPIC was abolished in 1996 with the establishment of the National Imagery and Mapping Agency (NIMA) under the Department of Defense; it is now called the National Geospatial-Intelligence Agency (NGA).

For other details about NPIC, see this Intellipedia article.