Secure Phone System
11 Sept 1967

MEMORANDUM FOR: Chief, Records Administration

SUBJECT   : KY-3 Secure Voice Communications System

REFERENCE   : Memo frm Chief, RC, dtd 26 July 1967

1. I have done a little research on the KY-3 Secure Voice Communications System. A representative of the Office of Communications, Security Branch, was the source of the following:

    a. It behooves the prospective user to provide <u>sufficient justification</u> for the installation of a KY-3 system;

    b. Up to TOP SECRET and S.I. material may be discussed or transmitted over the system;

    c. A fairly simple KY-3 system would cost about $6600 - this essentially covers the cost of the control box, known as the "grey cryptologic instrument";

    d. A terminal or extension to a pre-existing system may be installed for approximately $1700, i.e., an extension from Colonel

25X1A9a ████ KY-3 to the ████████   **25X1A6a**

    e. There may be as many as six extensions existing off of one control box on any given floor;

    f. The Magnafox 840 Transceiver, which may be used in conjunction with the KY-3 system, rents for $50. per month and is a piece of equipment patented by the XEROX Company;

    g. In addition to the cost of equipment and the lines cited above, there exists an installation charge ranging from $100 to $1500 depending on the complexity of the system;

h.   Installation time for the KY-3 is approximately 90 days.

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2.   There presently exists in the ████████ Building four KY-3 Secure

Voice Communications Systems. It may be possible through the good auspices

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of Mr. ████ OBGI Admin Officer, to inspect one of these systems in

operation.

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3.   The KY-3 system between ███████████████████ and Headquarters

Building is circuited through the White House. As a result there does exist

what the source describes as a "red break-out". This simply means certain

personnel assigned to the White House have access to cleared traffic trans-

mitted via our system. Since other high-level government officials use the

KY-3, presumably the "red break-out" is a situation generally acceptable to

the users.

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