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DRAFT:JaBross:ag (11/1/69)

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Managerial Arrangements of the NRO

The NRO agreement of 11 August 1965 was intended to resolve a number of issues which had arisen over a period of years and had been the cause of deep, and at times bitter, contention between CIA and elements of the Defense Department, particularly the Air Force. Two basic questions were at the seat of these disputes.

- a. Should CIA continue to have a more or less independent capacity to overfly denied areas with manned aircraft?
- b. Should CIA continue to maintain independent facilities for the design and development of new satellite reconnaissance vehicles?

The first question, whether CIA should continue to operate manned reconnaissance aircraft, has been pretty well resolved in the negative. CIA does continue to operate a limited number of U-2 aircraft. Presumably it will continue to use these aircraft for the foreseeable future in areas such as the Middle East, Africa and Latin America. With the liquidation of OXCART, however, CIA has lost the capacity to overfly territory which is defended with sophisticated weapons and strategic reconnaissance of this kind of denied area will hereafter be the responsibility of the Air Force.

The second question, whether CIA should continue as an active, independent participant in the design, development and production of space

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reconnaissance systems was answered in the affirmative. Existing arrangements in the NRO, however, are not calculated to ensure either the best possible individual contribution from CIA to the National Reconnaissance Program or the most efficient over-all administration and supervision of the program as a whole.

The Director, NRO now supervises a number of programs for which the Air Force (SAFSP), CIA (DDS&T) and, to a comparatively minor degree, the Navy are respectively responsible. The Air Force component of the NRO has total system responsibility [redacted] a number of SIGINT 25X1 satellite programs, both operational and in a state of development. The NRO Air Force is also working on certain research projects, including vulnerability studies, and possible answers to the need for a quick readout system.

CIA ~~is responsible for certain U-2 operations.~~ It also has the responsibility for the payload integration of the CORONA program. It is

responsible for the development [redacted]

[redacted] [redacted] In the research field, its most important concern at the moment is with the design for an

[redacted]

objectives.

There are two serious deficiencies in these arrangements. One is that in a number of ^{instances} ~~situations~~ allocations of managerial responsibility as

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between CIA and the Air Force are more apparent than real. *For example* } *This is*

~~because while~~ CIA is given responsibility for developing [redacted] *while* the Air Force has the responsibility for putting

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[redacted] [redacted] [redacted] The Air Force therefore has juris-

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diction over the design and production phasing of re-entry vehicles, stellar index cameras, boosters, etc. [redacted] which is CIA's 25X1
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responsibility, must fit into this total complex. So far arrangements for total systems integration and development have proved awkward and unsatisfactory.

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[redacted] is a continuing illustration of the dilemma which has plagued attempts to resolve organizational arrangements in the NRO since the decision in 1959 to authorize CIA to proceed with development of the first CORONA system. Certain aspects of satellite operations necessarily have to be the responsibility of the Air Force. These certainly include control of launching facilities, recovery of payloads, etc. It is also generally conceded that procurement of boosters should be an Air Force responsibility. Given the ~~extent~~ of these Air Force responsibilities, the extent of CIA participation, if any, in the development and integration of a satellite system necessarily has to be somewhat artificially determined. During the course of the negotiations leading up to the present NRO agreement, CIA's record of leadership in the design and development of reconnaissance vehicles (including the original U-2, improved versions of the

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U-2, the OXCART, the original CORONA system, the various improved CORONA systems, [redacted] was generally conceded.

All agreed that competition between various agencies contributing to the development of new systems in the NRP was desirable; that it was important to keep alive and exploit the expertise which had developed in CIA and that CIA should continue to contribute to the development of new and improved systems. The only question was how this could best be done within the overall framework of a nationally directed and integrated reconnaissance program.

A strong effort was made to define the CIA contribution in terms of responsibility for design and development of a payload. This would have given CIA the authority to oversee contractors who produce a camera system and other contractors who design space vehicles into which the camera will fit. This entire package could then be given to the Air Force whose responsibility it would be to see that it was properly fitted on to a missile and fired into space. The present arrangement, under which CIA's contribution is limited to the production and delivery of the camera, is awkward and does not preserve to CIA sufficient flexibility and scope to ensure efficient development of the payload. Moreover, it obscures and confuses responsibility for integration of the system as a whole. As far as can be determined, neither the Air Force nor the NRO itself have succeeded in picking up

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this responsibility or in exercising satisfactory over-all systems integration supervision. The arrangement therefore is neither efficient from the over-all view nor satisfactory from the point of view of assuring CIA adequate participation in the development of the system.

A second serious deficiency in existing organizational arrangements is the lack of some adequate mechanism for allocating and monitoring research activity performed respectively by CIA and the Air Force. The NRO agreement specifically provides that a basic objective of the agreement is to promote a vigorous research effort and that funds "shall be adequate to ensure that a vigorous research and exploratory development effort is achieved and maintained by the Department of Defense and CIA to design and construct new sensors to meet intelligence requirements aimed at the acquisition of intelligence data. This effort shall be carried out by both CIA and DoD." In fact, however, the total amount of research money allocated to CIA over the past three years has been as opposed to allocated to the Air Force.

Apart from what seems to be an inequitable distribution of funds, there is some feeling that research activities are carried out on what is in fact a somewhat non-competitive basis. There has been some reason to believe that contractors employed by CIA to work on particular

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concepts (electrical optical imagery, for instance) almost inevitably receive instructions from the Air Force for studies in identical areas. Given the influence of the Air Force with most major contractors, the effect of such instructions of course is to pre-empt development of the concept by the Air Force. The truth of these allegations is ~~of course~~ difficult to determine. The fact of the matter, however, is that existing procedures for ~~actually~~ monitoring research plans and commitments of the various contributors to the NRP are not satisfactory and should be strengthened and improved.

25X1 To summarize, what seems to be required is a better way of allocating responsibilities. In situations such as the extent and limitations of CIA's responsibilities should be more clearly determined than they are under existing arrangements. CIA should have the authority not only to see that a camera is designed -- it should also have the authority to develop the equipment which is immediately related to the camera and necessary to permit it to function efficiently in space. This would appear to include the necessary spacecraft and re-entry vehicles. Over-all systems responsibility for the integration of the entire system should then be fixed with greater clarity and be more efficiently implemented than it is today.

As regards research, a stronger mechanism is needed in the NRO to approve proposals for particular projects, ensure desirable competition,

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eliminate pure redundancy and ensure against highjacking methods on the part of participating organizations in the NRP. These objectives require some realignment of the NRO staff and working procedures.

Another aspect of the National Reconnaissance Program requires clarification. The NRO agreement provides that "The NRP is a single program, national in character, to meet the intelligence needs of the Government under a strong national leadership, for the development, management, control and operation of all projects, both current and long range for the collection of intelligence and of mapping and geodetic information obtained through overflights (excluding peripheral reconnaissance operations."

(Underscoring supplied.) Despite this injunction to include all resources engaged in overhead reconnaissance in the NRP, neither the nor the SR-71 program are treated as coming within the jurisdiction of the NRO. In the absence of compelling reasons justifying their exclusion they should hereafter be incorporated in the inventory and subject to the normal review procedures of the NRO. This matter should be the subject of discussion in the Executive Committee of the NRO.

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