

C O P Y

With 66 files

P-7.10

DEPARTMENT OF THE AIR FORCE



2 JUL 1965

MEMORANDUM FOR B/GENERAL JACK LEDFORD
DIRECTOR, PROGRAM B

SUBJECT: F.Y. 1966 Initial Program Approvals

Your initial program approvals for FY 1966, by project or task, are furnished in the attachments. These reflect my determinations at this time, but may be subject to change in OSD/BOB and other reviews. In the meantime, you are authorized to proceed as of 1 July 1965 against these specific approvals.

There are a number of areas in which further examinations, and probably discussions, will have to be held before the FY 1966 program is considered to be a complete direction, such as Isinglass, additional U-2 procurements, and your recommended satellite programs.

I note that in your as of 31 May 65 monthly financial status report against the FY 1965 programs, there are significant unobligated balances against a number of accounts. The NRO Comptroller will conduct an evaluation with your personnel, when the as of 30 June 65 data is complete, to determine whether any unobligated balances at that point can be applied against FY 1966 program approvals herein, or any additional program approvals that may receive later approval.

I am particularly pleased with the marked improvements in the data furnished to support your recommendations. This type of information facilitates an understanding of the proposals, and provides a basis for conducting more meaningful reviews.

NRO review(s) completed.

BROCKWAY McMILLAN
Director
National Reconnaissance Office

15 Attachments

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TOP SECRET



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Copy 1 - BRF/OSA

Copy 2 - PS/OSA

Series B:

1- PS/OSA

2- PS/OSA

Series C:

1- PS/OSA

2- PS/OSA

3- DD/S&T

4- AD/OSA

5- SPS

6- D/TECH/OSA

7- D/FA/OSA

8- CD/OSA

9- MD/OSA

10- OEL (Attachments 4, 6 and 7 only)

TOP SECRET

C O P Y

FY 1966 Initial Program Approvals to Director B

(Thousand Dollars)

25X1

OX CART

IDEALIST



EKC R&D

CORONA



25X1

FY 1966 Initial Program Approvals to Director D,
expected to be funded through Director B

(Thousand Dollars)

SR-71 Aircraft

YF-12A Aircraft

J58 Engine R&D

Tagboard

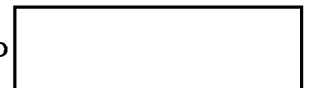
Dragon Lady



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25X1

Attachment to

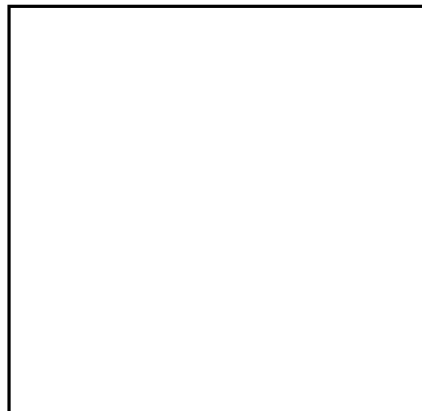


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C O P Y

OXCART, F.Y. 1966: (Thousand Dollars)Airframe Service Contracts:

Base Operating Support
 Engineering & Dev. Testing
 Spares, AGE
 Flight Testing
 Modification Kits
 Operational Crews Support
 Overhaul and Repair
 Tech Reps
 Customer Service
 Update/Repair/Iran
 Sub-total



25X1

On the basis of a general analysis of the funds used in both Fiscal Years 1964 and 1965, the actual rates on airframe service contracts have been considerably less than the initial contractor's estimates for similar effort. Your FY 1966 recommendations for the Oxcart Airframe Service Contracts were the same as the contractor's submissions, and I am convinced that a comprehensive analysis of the contractor's requirements could have resulted in your being able to submit reduced recommendations. Specifically, your BOS, Flight Testing, Tech Reps, and Update/Repair/Iran recommendations for OXCART are accepted. However, the Engineering and Development Testing allowance is the same as the latest FY 1965 estimates, inasmuch as there were no specific reasons provided for a significant increase for this entry in FY 1966. Follow-on Spares, AGE and Accommodation Sales allowances are approved at less than your recommendations inasmuch as certain management actions are available to you, i.e., examination of assets from prior procurements, spares purchased vs. consumption experienced, stock levels at various points, etc., to allow you to reduce your requirement. Modification Kits allowance is approved at less than your submission on the basis of the fact that the extensive mods being accomplished from FY 1965 funding should reduce the necessity for mods in FY 1966. The Operational Crew Support allowance is higher than the latest FY 1965 estimate, but lower than your submission. In this area as well as other areas involving contractor support personnel and technical reps, I would like you to make a detailed analysis of the requirements for the increased personnel recommendations, as well as for the existing personnel levels, to make sure we are getting value received for the expensive personnel costs now being experienced. The Overhaul and Repair approval is also higher than the FY 1965 listings but less than your FY 1966 recommendations, and as I mentioned above, the FY 1965 updating should minimize the FY 1966 effort required.

In order for your office to be able to proceed against the entire O-K-T Airframe Service Contract approvals, the following amounts have been approved to Director D for the FY 1966 initial programs:

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C O P Y

YF-12A

Tagboard

Base Operating Support
Engineering & Dev. Testing
Spares, AGE
Flight Testing
Modification Kits
Operational Crews Support
Overhaul and Repair
Tech Reps
Customer Service
Update/Repair/Iran
Sub-total

25X

In accordance with my FY 1965 instructions, any individual ECP costing over [] is to be submitted to me for advance approval.

25X

Engine Support:

Spares, GSE
Overhaul Labor
Tech Reps
Sub-total

25X

Approval is granted to your request. I understand that studies are being made of the actual utilization of spares, obsolescence factors, stockage at various locations, etc. I would appreciate the results and conclusions from these studies when finished.

The approvals for the YF12 and Tagboard engine support for FY 1966 to Director D are:

YF-12

Tagboard

Spares, GSE
Overhaul Labor
Tech Reps
Sub-total

25X

These approvals are as recommended.

25X1

Cameras

25X1

25X1

25X1

[] In the Cameras portion, initial approval is granted to [] for EKC, [] for Hycon, and [] for Perkin-Elmer. Altho I realize that your estimate for P-E was only about one-half of the company's recommendation, I feel that the number of tech reps and

25X

25X1

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the spares and overhaul costs are still excessive. If a detailed re-examination indicates the approval to be too low, I will consider a specific request for increase.

Guidance

[redacted]

25X1

The estimates for Auto Pilot and Jet Star Lease are accepted. However, the initial approval for INS is held to [redacted] Here again, the numbers and costs of tech reps are considered to be excessive, and are approved at [redacted] the procurement of 4 new systems must be deferred until I am furnished a specific basis for the use of 21 systems; and your estimate erroneously included [redacted] for Kedlock, which is charged to the YF-12 account.

25X1

25X1

25X1

Construction

[redacted]

25X1

25X1

This is the amount recommended.

[redacted]

Operations and Maintenance

[redacted]

25X1

Your estimate was based on achieving a population of [redacted] by 30 June 66, which appears unlikely. A reduction of [redacted] has been made in the support costs, excluding the air transportation entries. The amounts for C-47 shuttle costs and Constellation shuttle added to [redacted] this is reduced to an approval of [redacted]

25X1

25X1

25X1

25X1

25X1

[redacted]

25X1

[redacted]

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Pilots

25X

This approval is the same as your recommendation.

OXCART TOTAL Initially-Approved

25X

As with FY1965, you will have flexibility within the Oxcart Airframe Service Contracts, and within the Engine Support categories, but not between these categories or any other categories without my advance approval. You will also have flexibility between and within all other Oxcart line entries, provided that approved totals are not exceeded thereby, and that effort is not initiated on initial disapprovals as stated in the preceding paragraphs.

Also, the amounts reflected for your info under the YF-12 and Tagboard Airframe Service Contracts and Engine Support allowances are considered initially inflexible in line entries and totals. No changes may be made without my advance approval.

Certain estimates may be subject to reconsideration if the Kadena deployment materializes; however, in general, these approvals should suffice to cover that effort as well.

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IDEALIST, F.Y. 1966: (Thousand Dollars)

Initial Approval

[Redacted]

25X1

Since the submission of your estimate for [Redacted] I understand that this has been revised to [Redacted] after consideration of [Redacted] additional funding in FY 1965 for product improvements. The approved program allows the remaining amount for your revised estimates on product improvement, but initially disapproves the following:

25X1

25X1

25X1

I. LAC Service Contracts:

Technical Representatives. While I have not made a specific reduction in the allowances for these personnel, I would like a reassessment of the need for this many people.

With regard to the following two areas, more specific justifications on these proposals must be provided before approval can be given.

25X1

[Redacted]

25X1

Overhaul and Factory Engineering Support:

25X1

[Redacted] Basic Design Coverage

[Redacted] Flight Test J-58 Engine

II. Cameras:

25X1

[Redacted] Research and Development,
Product Improvement

This item was not included in the Product Improvement presentation. More specifics must be furnished before approval.

While I have not made specific reductions in Technical Representatives, I would like a reassessment of the need for these numbers.

25X1

[Redacted]

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III. Airborne Electronics, etc.:



25X1

25X1

[redacted] for Miscellaneous. This is a Contingency item, and may be subject to reconsideration when specific efforts materialize.

IV. Pilots:

25X1

While I have not made a specific reduction in the allowances for pilots, I would like an explanation as to why more than [redacted] pilots should be involved.

In general, I have not attempted in this program approval to consider the impacts of my memo of 10 June 65 on FY 1966 funding. However, before finalizing contractual effort, your office should recognize the potentials. For instance, if your inventory reduces below the planned 10, I should think savings could accrue in Service Contracts and other areas.

25X1



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25X1 [] F.Y. 1966: (Thousand Dollars) [] 25X1
Photo Processing

This allows the increase of [] personnel as requested. The reduction of [] from your submission is a general application. 25X1 25X1

25X1 Film Requirements (O, C [] 25X1
This is as you recommended.

Film Requirements (U-2's) [] 25X1

25X1 This is the same as your recommendation, except that 5 copies of each color mission rather than 8, are considered adequate in FY 1966, which reduces your submission by [] Of particular note is that this approval covers both the Idealist and Dragon Lady requirements. Director D has not been granted any approval under Dragon Lady for the I-HF-47 Film and Chemicals. Accordingly, the entire amount will be handled under the [] program for the first time. However, this should not be considered as lessening in any way recognition of the FOG requirements. I consider that FOG support should be provided in accordance with needs. The combination under [] is merely an administrative convenience. 25X1 25X1

Equipment Procurement [] 25X1

25X1 No listings were submitted with your request for [] and are dependent to a large extent on EB-1492 developments.

25X1 [] TOTAL Initially-Approved [] 25X1

25X1

[]

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25X1

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EKC R&D, F. Y. 1966: (Thousand Dollars)

Initially-Approved Total

[Redacted]

25X1

The amount requested for this effort, [Redacted] was considerably above the President's Budget of [Redacted]. However, I am willing to allow an increase of [Redacted] above the budget.

25X1

25X1

25X1

25X1

[Redacted]

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CORONA, F.Y. 1966: (Thousand Dollars)

25X1

This program is undergoing a re-evaluation, including proposals made by [redacted] on 21 June 65. In the meantime, a first quarter fund release of [redacted] will be made against continuation of current effort on the Corona J's and PG-1's. These funds are not to be used for development or improvement efforts, improved S/I camera, or additional PG-1's until program approvals are furnished. Also, the procurement of additional J's beyond number 42 should be suspended until the program decisions are made.

25)

25X1



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25X1

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C O P Y

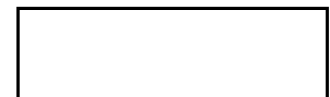
ISINGLASS, F. Y. 1966:

Initial Approval

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I received your study dated 15 June on 21 June. It will be given careful consideration. However, no funding nor authorization to proceed can be approved at this time.

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