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MEMORANDUM FOR: Director, National Reconnaissance Office
SUBJECT : Recommendations For Changes In Agency Contracting In Support Of The NRO

1. Because of the decision to transfer the IDEALIST program to the Air Force, I plan to abolish the Office of Special Activities. In addition to IDEALIST, OSA is responsible for the [redacted] program, the [redacted] program, [redacted] and other miscellaneous contracts in support of the NRO. My recommendations for the transition of IDEALIST to the Air Force and for disposition of these remaining programs and activities are given below. I plan to transfer the Agency contracting responsibility for all continuing activities in support of the NRO to the Office of Development and Engineering on 1 July 1974.

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OSA/CMD
TO
ODTE
7/1/74

NRO
review(s)
completed.

IDEALIST Program

Under the IDEALIST program which now consists of overall support for the Agency's U-2 aircraft, there has already been a gradual shift of U-2 supportive activity to the Air Force. The latest understanding will lead to a transfer of all CIA U-2 assets to the

Continental Account

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Air Force as soon as practicable. From a contractual standpoint, all IDEALIST field service support contracts will be extended three to six months in order to permit appropriate phase-out activities. The funding for these extensions will be provided by the Air Force through Director, Program D. All other contracts will expire at the completion dates specified therein, unless earlier termination is requested by the Air Force. With few exceptions, these contracts should be completed by 30 June 1974.

is this correct?

is this NECESSARY?

ADMIN CARRY ON

[Redacted]

[Redacted]

RECOM: TRANSFER to AF 7/1/74 unless? AF has own reasons

In the past the CORONA [Redacted] represented a basis for justifying the CIA's handling of the [Redacted]. Currently, SAFSP has the total responsibility for operational satellite reconnaissance systems employing photographic film. Unless there are special reasons which you may be aware of for

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[Redacted]

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[Redacted]

[Redacted]

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CIA to continue handling [redacted]

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I recommend that this responsibility be transferred
to SAFSP effective 1 July 1974.

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[redacted]

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SUBJECT: Recommendations for Changes in Agency Contracting
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[Redacted]

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I recommend that this activity remain intact and be placed under the ^{Management} administration of the Office of ELINT, which is physically collocated with the [Redacted]

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[Redacted] The Office of ELINT is the most logical office within the Directorate for Science and Technology to perform this function, since it has the operational responsibility for the [Redacted] and technical operations in general.

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[Redacted]

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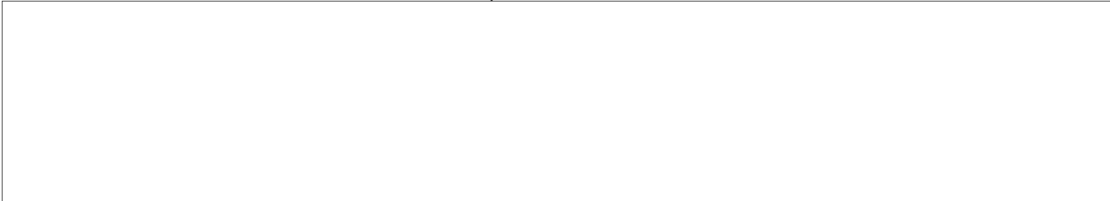
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[Redacted]

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Other Contracts

There are a number of other miscellaneous contracts which the Office of Special Activities handles on behalf of various NRO activities. I propose that we examine these on a case-by-case basis and that I provide you with my recommendations for each of these by 1 June 1974.

CARL E. DUCKETT
Deputy Director
for
Science and Technology

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(9 Apr 74)

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Copy ___ of ___

11 April 1974

MEMORANDUM FOR: [redacted]
 Special Action Staff/OSA

SUBJECT : CMD/OSA Comments Relative to Reference

REFERENCE : Memorandum for Director/NRO
 Subject: Recommendations for Changes
 in Agency Contracting in
 Support of the NRO
 (Working Paper/9 April 1974)

In response to the request for comments on referenced memorandum, attached are summary schedules by program of active contracts; i.e., those in which technical performance has not been completed to date. At the present time, there are approximately [redacted] such contracts, of which [redacted] have periods of performance extending beyond 1 July 1974. Of these 32 contracts, there are [redacted] which have completion dates prior to 31 December 1974, and it would appear to be in the best interest of the Government not to terminate them. However, there are 13 which the Air Force might consider terminating prior to dates specified in the contracts.

IDEALIST Program (Tab 2)

There are [redacted] active contracts in this program, of which only two extend beyond 30 June 1974. It is suggested that, since the [redacted] contract expires 31 July 1974, the Agency retain contract administration responsibility for this contract. The only other contract extending beyond 30 June 1974 is [redacted] which is a facility and property accountability-NRO contract and obviously ought to be assumed by the Air Force.

The comment in subject reference that "there has already been a gradual shift of U-2 supportive activity to the Air Force," I believe, refers to the 1 July 1973 takeover by the Air Force of the Common Account responsibilities.

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[Redacted]

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Field Service Support Contracts (Tab 2b)

This schedule shows the number of active contracts that will require Agency contractual coverage for the proposed three to six month extension. In view of the fact that the Air Force currently has certain similar field service support contracts in the Common Account, it seems that the six month extension of Agency contracts will be sufficient time to allow the Air Force to prepare for follow-on contracts. However, during this interim period, very close coordination must be maintained between the Air Force and Agency contracting officers and appropriate funding procedures must be specifically identified to meet FY-75 appropriation coverage.

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[Redacted]

(Tab 4)

There are 15 active contracts, of which there are eight with expiration dates after 30 June 1974. (See Tab 4a showing actual completion dates.) If Air Force becomes responsible for the entire program, it may be best that Agency procurement handle final settlement on those 7 contracts that expire before the end of calendar year 74 and terminate the remaining 8 contracts at an appropriate time.

KOBOLD Program (Tab 3)

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There are [Redacted] active contracts (see Tab 3a) for this program, seven of which extend beyond 30 June 1974 and all will expire prior to 30 June 1975. No Agency contract management problems are anticipated for these contracts if the proposed recommendation is accepted.

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[Redacted]

OSA contract management group has no involvement in the contract support for this activity.

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[Redacted] with LMSC

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Upon completion of study, close attention will be required to preserve [Redacted] Security procedures relative to the Agency's involvement.

Others (Tab 5)

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There are [Redacted] active contracts under this category, of which [Redacted] have completion dates beyond 30 June 1974; however, 9 of these will expire prior to 31 December 1974. It would appear that most of these contracts ought to be administered through

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final closeout by the Agency contracting office, especially since most of these will be completed by September 1974. The remaining 6 that extend into calendar year 75 can be treated individually.

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The Agency is currently performing contracting services for the Air Force  Consideration ought to be treated with respect to the future contractual role of the Agency on this program.

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Chief, Contracts Management Division/OSA

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