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DCI/ICS 84-4303  
22 May 1984

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM:   
Director, Intelligence Community Staff

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SUBJECT: Final Draft of National Space Strategy

1. Attached for your signature is the proposed response to the NSC's request for comments on the subject document. It is consistent with the agreements reached in last Friday's discussions of this subject with Mr. Taft and incorporates your comments on the draft we sent to you yesterday.

2. Additional material that explains our position is provided separately in a tabbed notebook that also contains copies of relevant NSDDs and comments from Intelligence Community principals.

3. We recommend your signature.

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SUBJECT: Memo to DDCI re Final Draft of National Space Strategy

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The Deputy Director of Central Intelligence

Washington, D. C. 20505

25 MAY 1984

MEMORANDUM FOR: The Honorable Robert C. McFarlane  
Assistant to the President for National Security Affairs

SUBJECT: Final Draft of National Space Strategy

REFERENCE: 12 May memorandum, Robert M. Kimmitt [redacted] same subject.

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1. We appreciate the opportunity to respond to your request for comments on the draft of the NSDD on National Space Strategy. It represents the culmination of a great deal of work integrating agency submissions into a final document. We are particularly pleased with the elements of the space strategy that apply directly to the national foreign intelligence space program. In this regard, we fully support the guidance to complete the approved modernization; improve capabilities in support of the operational military forces, continuity of government, and the National Command Authorities in crisis and conflict; and maintain a vigorous national security space technology program. [redacted]

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2. We do have a concern that the issues of technology transfer and Shuttle pricing have not been adequately resolved in this draft NSDD. [redacted]

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3. As you know, because the US space program develops and uses very advanced and sometimes sensitive technology, in most areas it is as much as 5-15 years ahead of the comparable Soviet programs and those of the rest of the world. Furthermore, much of this technology could be used by the Soviets in a variety of terrestrial military systems as well as in space systems. The Soviets place a high priority on the acquisition of US space technology; they

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have been successful in acquiring technology in the past; and they will continue to use all possible means to acquire the technologies that could significantly enhance their already vigorous space program. It is for these reasons that we believe that the SIG(TT), as the responsible interagency authority for the policy relative to overall control of technology transfer, must examine our current approaches for controlling the adverse transfer of US space technology and develop a long-term plan that is adequate to protect the government's legitimate interests. We also need to recognize that cooperative international space programs and activities may provide opportunities for technology transfer that are not present in other US programs. [redacted]

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4. As individual programs and activities are proposed, they must be carefully reviewed so that the US Government fully understands the technology transfer risks and weighs these and other risks and benefits prior to commitment. [redacted]

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5. With regard to Shuttle pricing policy, we note that the paragraph implementing the President's policy of full cost recovery for commercial and foreign users contains language which could liberally be interpreted effectively to reverse the President's full cost recovery decision. The language ". . . consistent with the need to maintain international competitiveness in the provision of launch services" implies maintaining subsidies, not removing them. Continuing subsidies for commercial and foreign users would retard or eliminate the ability of the US private sector to develop a US commercial launch services industry. This is inconsistent with the USG policy, as reflected elsewhere in the draft NSDD, of encouraging commercial launch vehicle activities and not competing with or duplicating US commercial space opportunities. National security needs for a launch capability to complement the Shuttle depend on a viable US expendable launch vehicle industrial base. [redacted]

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6. We also recommend changes to clarify the paragraph on integrating the use of space systems with operational forces. As currently written, the paragraph and the implementation are restricted solely to national security space systems, whereas NSDD-42 explicitly states that civil space systems can be used to support national security missions. Obvious examples are the Shuttle and civil weather satellites. [redacted]

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7. Our final major point relates to international participation in the Space Station program. We believe that the current implementation paragraph does not define a regular interagency review process that would produce an evaluation of cooperative space activities with respect to all US Government objectives. We believe that a clearly defined regular process is needed and recommend that the paragraph be modified accordingly. We have provided specific language to accomplish this objective and to make it consistent with previously established administration policy contained in NSDD-50. [redacted]

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[redacted] 25X1

8. The changes that are required to accommodate the concerns outlined above are shown in the attachment. If these changes are made, we would be in full concurrence with this draft. You may find that a SIG(Space) meeting would be useful in resolving our differences.

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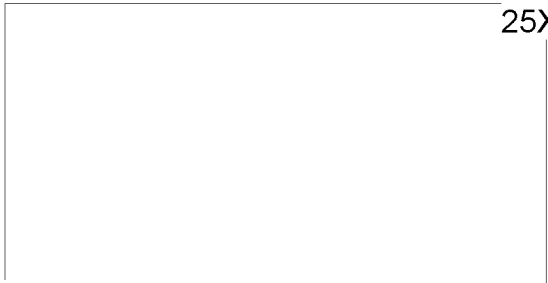
**/S/ John N. McMahon**

John N. McMahon



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SUBJECT: Memo to McFarlane re Final Draft of National Space Strategy

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DCI/ICS/PPS [redacted] (22 May 1984)

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DCI/ICS 84-4304

POINT PAPER

FOR

DDCI

Subject: Final Draft of National Space Strategy

I. Background

- The NSC has requested comments on the draft of the National Space Strategy by COB Tuesday, 22 May 1984 (Tab 1).
- Our response to this request was a discussion item at the 18 May SecDef/DCI breakfast (Tab 2).
  - DepSecDef Taft, DCI, and DDCI agreed to at least oppose the NSC-proposed wording on the Shuttle pricing policy and space technology transfer as the language was insufficient to satisfy DoD/IC fundamental concerns.

II. Discussion

- The proposed memorandum to Mr. McFarlane from the DCI:
  - States that we are especially pleased with the National foreign intelligence space program element of the strategy.
  - States our dissenting position in four areas and offers exact language to satisfy our concerns. The areas are:
    - o Technology Transfer,
    - o Shuttle Pricing,
    - o Integration of "the use of space systems" with operational forces, and
    - o International cooperation on the space station
  - Calls for a SIG(Space) meeting to discuss the issues should our proposed language not be accepted.
- Our positions and proposed language are consistent with the recommendations of the Intelligence Community principals and your discussion with Mr. Taft.
  - The Shuttle pricing and technology transfer issues are discussed at Tab 2.
  - As written, the section entitled "Continue to Integrate National Security Space Systems with Operational Forces" is incorrect.



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- o "National security space systems should be changed to "integrate the use of space systems."
  - o This section is not to be restricted solely to national security space systems but is to apply to all US space systems as stated in NSDD-42 (National Space Policy) and is directed to the use of space systems to support National security missions not the integration of the systems themselves. Shuttle, civil weather satellites, and LANDSAT are examples of current support.
  - o NSC Staff has previously said these changes would be made. We do not believe NASA will object as NSDD-42 is in full accord.
- Our final area of concern relates to international participation in the Space Station program.
- o We believe that the current implementation paragraph does not define a regular interagency review process that would produce an evaluation of cooperative space activities with respect to all US Government objectives.
  - o We believe that a clearly defined regular process is needed and recommend that the SIG(Space) be responsible for such a review process and that the review of proposed international agreements take place prior to USG commitments. Our language also makes the NSDD consistent with previously established administration policy contained in NSDD-50 (Space Assistance and Cooperation Policy).
- We believe that DoD is taking similar positions on the issues. The language we propose is different from DoD in style as we have not replaced all existing NSC language.
- Intelligence Community principals are primarily concerned with the technology transfer issue and are urging that we take a firm position on this issue (Tab 4).
- DIRNSA is also concerned with minimizing and stabilizing the cost of STS launch services to USG customers.
- o Current USG pricing policy is fixed until 1988 when full cost recovery for commercial and foreign payloads is to commence. USG pricing policy may or may not change for Government customers at that time.
  - o DoD and NASA are directed in the draft Space Strategy NSDD to ". . . prepare a report that defines a fully operational and cost-effective STS and specifies the steps leading to that status." The report will be sent to the SIG(Space) late in 1984.

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- o This joint DoD-NASA study should produce the follow-on USG STS pricing/support policy for USG customers. Prior to this, it is premature to request changes to the pricing policy contained in NSDD-94.
- All agencies are in substantive agreement except NASA on the tech transfer, Shuttle pricing, and Space Station International cooperation issues.
- Most agencies are requesting a SIG(Space) meeting so principals can discuss the issues.
- NASA staff advised us that they will request that a working group meet to prepare an issue paper for SIG(Space) discussion. (They believe that the SIG(Space) members should address agency-supported alternatives rather than the NSC-proposed compromise language.)
- Reference material is provided at Tabs 5 - 13

### Technology Transfer

- Tab 5 SIG(TT) Charter.
- Tab 6 Draft NSDD on US Technology Transfer Policy.
- Tab 7 SecDef to President Memo calling for NIE on space technology transfer.

### Shuttle Pricing

- Tab 8 NSDD 94 Commercialization of Expendable Launch Vehicles.
- Tab 9 SecDef to President memo specifying DoD Launch Strategy for Assured Access to Space.
- Tab 10 DoD Launch Strategy.
- Tab 11 PFIAB letter to the President on supporting the DoD launch strategy.

### Integration of satellite support to Operational Forces

- Tab 12 NSDD 42 National Space Policy

### International Cooperation Objectives

- Tab 13 NSDD 50 Space Assistance and Cooperation Policy

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