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10 May 1966

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MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with [Redacted] of LAC regarding U-2R Export Proposal on 6 May 1966

1. As a follow-up to my conversation of 29 April with Kelly Johnson, I visited Lockheed in Burbank the morning of 6 May in company with [Redacted] to review the proposal drawn together by [Redacted] [Redacted] in response to my oral requirement of Kelly.

2. I was furnished with a complete set of Vuegraphs on the U-2R export proposal by [Redacted] together with four copies of a package proposal wherein LAC would assume systems responsibility for pulling together aircraft, engines, subsystems, and people together with spare parts. The only missing cost ingredients were those from P&W for engines to be submitted by [Redacted] on 11 May and a proposal for a trailerized self-sustaining processing capability from Eastman-Kodak which will probably have to wait until the week of 15 May when [Redacted] returns from the Far East.

3. The cost figures were accumulated on the basis of a possible five export detachment capability. This number was apparently pulled out of thin air by Kelly, since I did not mention it in the course of my talks with him. For the most part the total cost figure can be extrapolated in linear fashion if the number is less than five, or more than that amount. Should it be determined that it is better to export the existing U-2 aircraft, the cost need only be reduced in the Lockheed portion by [Redacted] per aircraft for the newly produced U-2R. I was also handed a rather good series of color charts in book form on the U-2R itself, as well as a scale model of the bird which Kelly wanted to have [Redacted] see.

4. The only significant difference between the Lockheed assumptions and those which I had discussed with Kelly outside of the actual number of bases was that LAC proposes that the initial pilot flight training and crew chief orientation be done at Edwards AFB at our detachment there, rather than overseas in the country which might purchase the aircraft. Kelly hinges this to the availability of the U-2R trainer aircraft, two of which are proposed to be included in the new buy. On the whole I find it difficult to

GROUP 1 Excluded from automatic downgrading and declassification

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argue against this idea for two reasons: (1) a two-seater trainer for pilot indoctrination is always desirable in an airplane with critical performance characteristics, and (2) training of indigenous pilots and senior crew personnel at Edwards would permit standardization to a degree that seems highly desirable in light of the limited number of aircraft proposed for each unit. Another unique feature of Kelly's plan is that he is proposing the establishment of certain sub-depots for handling spare parts resupply by commercial aircraft.



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supply levels at each detachment. It was agreed that Lockheed Aircraft Service would be the best overseas cover even though there exists an organization known as Lockheed Aircraft International. We have no prior history of doing business with LAI which is primarily oriented toward sale and service of airline aircraft and/or military plans in certain countries. Once we have received our inputs from P&W and E-K we will be in a position to develop a total package which we should then re-coordinate with LAC. I am hoping that we can clear this up by the end of the month.



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JAMES A. CUNNINGHAM, JR.
Acting Director of Special Activities

cc: D/R/CIA

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