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1 2 MAY 1987   <u>OIT/TRIS</u>
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MEMORANDUM FOR: Deputy Director for Administration

VIA: Director of Information Technology

25X1 FROM:

Acting Chief, Network Systems Engineering Group

SUBJECT: HPSCI Reply

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1. As requested, here are paragraphs regarding the charges of lack of frugality in the HPSCI letter to the Acting DCI.

CIA managers responsible for the data, voice, and transmission communications facilities in the Headquarters and Reston complexes spent over a year researching the alternatives for supplying those capabilities to our intelligence officers. In the data and voice area, thirty-four separate vendors were solicited for their technical solutions. Commercial, off-the-shelf hardware was acquired with no expensive modifications specified. Software which had some enhanced security features was developed, but development costs were held to a reasonable level. Acquisitions were made by competitive procurement in which overall system cost was a primary consideration.

In the transmission system to Reston, fiber was installed because the cost for any alternative far exceeded the cost for a fiber system. Data and voice were combined in a single secure system because the separate cost for each was deemed far too expensive. Non-secure voice systems were purchased so that long term lease costs for commercial telephone services could be avoided. In short, every effort was made to minimize cost.

As the Agency develops collection systems capable of gathering large amounts of intelligence information, it is our obligation to ensure that that information reaches our intelligence officers at their desks. The systems we supplied for data, voice, and transmission capabilities provide the minimum capabilities necessary to that end.

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