12 March 1963

MEMORANDUM FOR RECORD

The attached Summary Review of the National Reconnaissance Office, dated 25 February 1963, was prepared by the first Director of the National Reconnaissance Office, Dr. Joseph V. Charyk, at the time of his departure from this position. The review summarizes the history of the NRO from its earliest inception up to the time of Dr. Charyk's departure, including accomplishments as well as problems.

Signed
John L. Martin, Jr.
Colonel, USAF
Director, NRO Staff

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February 25, 1963

A SUMMARY REVIEW OF THE NATIONAL RECONNAISSANCE OFFICE

1. INTRODUCTION

This document is intended to summarize the development of the National Reconnaissance Office and to review some of the considerations relative to its establishment, its organizational arrangement, accomplishments, present status and to indicate problem areas that have been encountered. Pertinent recommendations for resolution of such problem areas are also included.

2. ORGANIZATION

a. Background

The essential background of the present National Reconnaissance Office began in June 1960 with a Presidential request for a special review of the satellite reconnaissance program. After numerous meetings and discussions, this effort culminated with a special meeting of the National Security Council on 25 August 1960. As a result of this review, the Department of Defense was directed to re-orient the overt satellite reconnaissance

project known as SAMOS and to establish special management structure and procedures for this project.

As a result, the SAMOS project was removed completely from normal channels. The responsibility for conducting the development and operation was assigned to a General Officer in the field, who, in turn, was assigned directly to the Secretary of the Air Force and reported to the Secretary with no intermediate supervision or review. A small special staff (seven officers) was established within the Office of the Secretary to accomplish all Washington staff work required by the Secretary and the Project Director. In practice, from the outset, the Secretary's responsibilities for the SAMOS Project were delegated to the Under Secretary, who reported directly to the Secretary of Defense concerning the SAMOS Project.

The revised procedures included the stipulation that the SAMOS Project would be responsive only to requirements stated by the United States Intelligence Board. The revised procedure also excluded any overt association of the SAMOS Project with any military operational command, and placed all aspects of the project management and operation within a research and development environment.

Immediately after establishment of the new SAMOS management structure in early September 1960, the Under Secretary of the Air Force placed management of the CORONA and ARGON projects within the special SAMOS management structure, insofar as Air Force actions and authority were concerned. In addition, he established direct liaison with the responsible CIA official, at that time the Deputy Director (Plans), resulting in a greatly improved arrangement for these covert projects.

b. Establishment of the NRO

In the spring of 1961, initial consideration was given to further revisions to the special management structure. The existing structure was effective only for the specific SAMOS, CORONA and ARGON projects; it had no relation to other projects, existing or proposed. Furthermore, the arrangement did not provide for the degree of management effectiveness warranted by the national importance of satellite reconnaissance. The result of discussions extending over the summer of 1960 was the formalizing of the previous arrangement into a national office, with its charter expanded to include not only all satellite mapping, geodesy and intelligence gathering projects, but all aircraft and drone overflight projects as well.

The resulting National Reconnaissance Office was formally established by the CIA-DOD Agreement of 6 September 1961. In this Agreement, the Under Secretary of the Air Force and the Deputy Director (Plans) of the CIA were designated as Co-Directors of the NRO. Their initial steps toward formal office organization were interrupted almost immediately by rejection of the Co-Director provisions of the Agreement by the NSC 5412 Group, on the basis that the reconnaissance program was too important nationally to be conducted under divided management; complete responsibility for management of the entire program should be assigned unequivocally to a single person. Discussions of such revision of the CIA-DOD Agreement were carried out over the next seven months, intermittently interrupted for various reasons. During this period, essentially no progress was possible toward the formal organizing of the NRO; the previous arrangement was continued under the new name, with the Deputy Director (Research) replacing the Deputy Director (Plans) due to internal CIA organizational changes. A new CIA-DOD Agreement was signed on 2 May 1962 establishing a single Director of the NRO, responsible directly to the Director of

Central Intelligence and the Secretary of Defense for management of the entire National Reconnaissance Program. Concurrent associated documents provided for the establishment of the National Reconnaissance Office as an operating agency, and designated the Under Secretary of the Air Force as the Director.

c. Organization of the NRO

In May 1962, after the documentation concerning the new Agreement had been issued, the Director of the NRO convened a special two-day conference to discuss the organization and procedures to be established under the new charter. This conference was attended by the Deputy Director (Research), CIA, and several key members of his staff, along with several members of the special staff of the Under Secretary of the Air Force. During this conference, general agreement was reached on the basic organization and method of operation to be followed.

Subsequently, on the basis of this conference, the basic organization of the present NRO was established by memorandum of 23 July 1962 from the Director, NRO to the Program Directors and the Director, NRO Staff. This memorandum established internal NRO structure and responsibilities, consistent with the basic

NRO charter. The Director also arranged for additional participation within the NRO by the CIA, NPIC, NSA, the Navy and the Army through provision of qualified personnel from these Agencies and Services to serve full time tours on an interagency exchange basis. The NRO organization is outlined in the attachment hereto.

d. Modus Operandi

The basic approach followed by the Director in organizing and managing the present NRO has been based upon the following rationale:

(1) The clear intent behind the present NRO is for the Director actually to manage the entire National Reconnaissance Program, not simply to arrange for coordination of the several projects.

(2) To accomplish this task, he has authoritative responsibility for all aspects of the Program, subject only to the basic provisions of the 2 May 1962 CIA-DOD Agreement and associated charter documents, and to guidance he receives from the Director of Central Intelligence and the Secretary of Defense (in addition, of course, to all applicable provisions of public law.)

In accordance with this rationale, the Director has issued directives and instructions through correspondence on numerous aspects of the NRO and its program. In matters which are somewhat involved, or inclined to be controversial, he has elected to employ several specific written agreements as a basic management procedure.

In regard to the various projects under NRO management, his actions have been based upon the view that all such projects are NRO projects, not CIA or DOD projects, that the NRO should literally fuse the formerly distinct and separate efforts of separate Agencies and Services into a single national program under close and effective management of the Director.

Since the NRO is a classified organization with a sensitive mission, all written directives to field elements of the Department of Defense have been issued through appropriate established Department of Defense channels. For example, during the Cuban crisis, NRO instructions to military units in the field were sent either through the Defense Intelligence Agency or the Joint Reconnaissance Center.

3. ACHIEVEMENTS

a. Management

Before noting achievements of the NRO in the development and operation of specific projects, some accomplishments of the Office should be considered from an over-all management viewpoint.

(1) The management of similar and related satellite projects has been consolidated within a single streamlined, responsive structure. In this process, formerly overlapping and conflicting responsibilities of the several Agencies and Services involved have been replaced with clear, non-conflicting assignment of responsibilities.

(2) The NRO has provided a single, responsible focal point for the national management of all overflight of denied areas, and for effective coordination between all satellite, aircraft and drone matters in this regard.

(3) The NRO has employed management structure and procedures uniquely tailored to the magnitude, importance and special conditions affecting the national task. Management responsibility has been defined clearly and centered in the smallest possible units composed of selected personnel of

highest qualifications. However, full use has been made of the existing materiel and personnel resources of the several Agencies and Services involved in providing the bulk of the support to the over-all program. By use of streamlined procedures, elimination of all intermediate reviews between the field Program Directors and the Director of the NRO, substitution of personal attention of a few selected individuals for all normally repetitive management documents and reports, and establishment of special communications arrangements, it has been possible to manage effectively a total national program involving approximately [redacted] in FY '63 with an NRO technical staff of approximately fifteen. The management system thus developed has made it possible to carry out this gigantic task under the conditions imposed by special security requirements.

(4) The NRO has provided the initiative and conceptual basis for the establishment of Department of Defense policy and security directives designed to provide the maximum possible protection to the National Reconnaissance Program. By eliminating all mission associated project names, and by eliminating such items as confirmation of the total payload or mission of any

specific launch, or the total payloads devoted to any specific mission, it has been possible to establish a public information posture from which almost all provocative comment on satellite reconnaissance has disappeared, while at the same time it has not been necessary to withhold any data essential to any of the unclassified projects and experiments within the over-all space program. In addition, this policy has eliminated the serious political embarrassment which the U. S. would face under the previous policy if the Soviet bloc should accidentally recover a satellite reconnaissance film capsule. Under the former policy, the U. S. in stating the mission of each launch in advance, and in some detail, represented the launch as other than reconnaissance mission; under the present policy, while the U.S. continues to admit to the existence of satellite effort directed toward the reconnaissance field, there is never any misrepresentation by statement or implication or process of elimination, since no missions are stated for any launches.

(5) Procedures have been established which permit all Agencies and Services concerned with the results of the National

Reconnaissance Program to make adequate preparation for exploitation of these results while maintaining the necessary security. Technical data essential to the exploitation community has been released from the operational security structure into the exploitation structure by means of specific planning documents and conferences. In addtiion, focal points have been established within each Service and Agency, with responsibility for exploitation preparation, and with all security clearances and information required for this task.

(6) Direct NRO liaison has been established with the Department of State and with the Arms Control and Disarmament Agency. This arrangement has insured that the U. S. policy in United Nations matters is determined with full consideration of the possible impact on the National Reconnaissance Program, while, at the same time, all potential contributions of this effort to constructive national policy are fully considered.

(7) Previously uncoordinated and duplicatory effort has been consolidated in several important areas:

(a) The separate CIA and Air Force covert photographic processing laboratories at the Eastman Kodak Company in Rochester, N. Y., have been consolidated and coordinated

with the Air Force Satellite Photographic Processing Laboratory (SPPL) at Westover Air Force Base, Massachusetts. The obsolete CIA covert laboratory is being phased out, the newer Air Force covert laboratory is being expanded, and the contract responsibility for this laboratory has been assigned to the CIA. Procedures have been established whereby the workload between the Eastman Laboratory and the SPPL will be assigned so as to permit maximum use of the Eastman facility for original processing, with the SPPL accomplishing most of the required production while providing an alternate or back-up original processing capability.

(b) NRO responsibilities for the research and development of processing and printing techniques and equipment have been consolidated and placed under single point management. In addition to a program of specific items, a level of effort contract has been established with the Eastman Kodak Company to insure that maximum advantage is taken of the unique experience provided by this covert laboratory for advancing the state of the processing and printing art.

(c) A single, consolidated, jointly-staffed NRO satellite operations center has been established in the basement of the Pentagon. This center will replace the several

satellite operations formerly conducted separately and provide for effective centralized control of all such operations under the close supervision of the Director.

(8) During the Cuban crisis, the NRO established additional photographic processing capability on an emergency basis and, in coordination with the Defense Intelligence Agency, maintained continuous supervision of the film processing and delivery to the National Photographic Interpretation Center.

b. Projects

In regard to the development and operation of reconnaissance projects, NRO accomplishments include the following:

(1) Development and operation of the highly successful CORONA-M system.

(2) Development of the GAMBIT project to the present high confidence expectation that this project will obtain satellite photography of technical intelligence quality during the coming summer.

(3) Development of the Thrust Augmented THOR, with option for use with or without strap-on solid rockets, providing significant extension of the capability of THOR boosted projects and greater flexibility for the National Reconnaissance Program.

(4) Exploitation of the basic SAMOS E-5 camera development into the simpler and less expensive THOR boosted LANYARD project, as an interim, earlier approach toward photography of technical intelligence quality.

(5) Initiation of development of the CORONA-J version of the basic CORONA-M project, successful conclusion of which will provide two photographic missions from one launch of a single camera system. After the first mission has been recovered, the satellite will remain inactive for up to three weeks, after which it will be re-activated, another photographic mission accomplished, and the film recovered in a second recovery capsule.

(6) Development of an interchangeable payload concept for THOR boosted projects, giving much greater potential flexibility to the over-all program.

(7) Development and successful operation of a small Stellar/Index camera of high geometric fidelity which, in addition to serving as an indexing aid for exploitation of reconnaissance photography, offers the potential of making each reconnaissance mission concurrently useful as a mapping and charting mission, with substantial potential savings

over the separate development and operating of systems designed exclusively for such purposes.

(8) Development and highly successful operation of Project 417, a secret meteorological satellite in a sun-synchronous orbit positioned so as to provide daily weather coverage of the Soviet Union. This project has and will continue to be extremely valuable in programming and operating all photographic reconnaissance.

(9) Complete re-orientation of the SAMOS ATLAS boosted SIGINT effort into a THOR boosted project of [redacted]

(10) Incorporation of the previous piggy-back POPPY project into the THOR boosted program with multiple payload units in each launch providing increased reliability and location accuracy.

(11) Development and operation of a wide family of [redacted] for use on vehicles within and without the National Reconnaissance Program.

(12) Development of a coordinated national SIGINT satellite program.

(13) Initiation of such vulnerability measures as appear feasible, to provide reasonable protection of reconnaissance satellites against some possible Soviet countermeasures.

(14) Development of advanced components which are available if required for future use, such as the eight 36" focal length cameras developed under Project 722, now discontinued in view of improvements in the CORONA-M system and the expense involved in completing the development as originally planned.

(15) Initiation of advanced state-of-the-art work in areas vital to future program developments.

(16) Development of the FIRE FLY drone capability for [redacted] photographic) employment against Cuba, if circumstances should warrant.

(17) Development of the A-12 aircraft to the flight test phase, through management and supervision by the CIA and support by the Air Force.

(18) Continued employment of U-2 aircraft in successful overflight of denied areas, through Air Force operation over Cuba and CIA operation with Air Force support elsewhere.

[redacted]
Control System

(19) Initiation of development of the AQ-12 drone to provide increased future flexibility and options in covert reconnaissance by aircraft.

(20) Initiated actions to provide increased protection to U-2 aircraft for optional future use against areas defended by surface-to-air missiles.

(21) Initiated organization of NRO Program D for the development of the R-12 on a basis compatible with the security required for the related A-12 project.

(22) Agena-D improvements for both NRO and other space applications.

4. PROBLEMS

A review of the experience to date indicates that there are several outstanding problems which require resolution. It is believed essential to insure that they are resolved in the establishment of the new charter for the organization which is now in preparation. The critical problem areas can be summarized as follows:

a. There appears to have been misunderstanding or misinterpretation in some quarters as to the fundamental nature of the NRO. Specifically, the question is whether the office is an

operating agency with direct management responsibility for a single national program or whether it's function is as a coordinating office responsible for liaison and coordination between related projects which are the management responsibility of various agencies and departments.

I have operated on the basis that the former arrangement is the correct one. In order for this function to be properly exercised, it is essential that the DNRO have available to him all of the management tools necessary for the accomplishment of the responsibility. A critical missing element has been the direct control over funds for the entire program. Without control over the allocation and redistribution of funds as dictated by program and requirement considerations, it is my judgment that the responsibility cannot be effectively discharged.

It appears clear that the office has always been envisaged as an operating agency. It is clearly reflected in the various DOD charter documents supporting the basic CIA-DOD Agreement of 2 May 1962. It was outlined in detail by the DNRO in the NRO organizational conference in late May 1962 and included in the organization policy statement of 23 July 1962 issued to the NRO program directors and the Director of the NRO Staff. The position

may be stated as follows:

Within the limits of applicable public law, within the provisions of the CIA-DOD Agreement of 2 May 1962, and subject to the guidance he receives from the Director of Central Intelligence and the Secretary of Defense, the Director of the NRO is responsible for the actual management of all projects of the National Reconnaissance Program and has the authority to carry out this task without the necessity of reaching agreement on each and every aspect of the management actions involved. In the CIA, under the terms of the 2 May Agreement, the responsibility of the Deputy Director (Research) in seeing that the terms of the Agreement are carried out within the CIA obviously includes the responsibility to see that the instructions and directions of the Director of the NRO are carried out. Within the DOD, the authority of the Director is contained in DOD Directive TS 5105.23, dated 14 June 1962.

The agreement reached in the organizational conference in late May 1962 and confirmed in the 23 July 1962 memorandum, clearly spells out that the DNRO has direct management responsibility for all elements of the program. The specific program

responsibilities are divided between several program directors. In the absence of the DNRO, each of these directors is responsible for decisions in his program area. In every sense, therefore, the program directors are deputy directors of the NRO for their own program areas.

Despite the basic CIA-DOD Agreement, the agreement at the organizational conference and the basic organizational documents, this arrangement has never been accepted by the Deputy Director (Research), CIA. Rather than seeking a resolution of his concern through proper channels and arriving at a new agreement with accompanying revised organizational documents, the apparent procedure has been one of resisting the functioning of the organization along the lines established in the basic Agreement and in the organizational documents. This is a fundamental point which requires clarification.

Effective implementation of decisions affecting Agency activities has been difficult, if not impossible, if the Deputy Director (Research) was not completely sympathetic to the action proposed. The direct management responsibility of the DNRO over CIA activities needs to be re-examined.

It is significant to note that although the DOD elements of the NRO have undergone rather drastic changes, no substantial

change from pre-NRO procedures has been affected in the CIA except possibly in the writing of security policy and the extension of a few communications links. Completely harmonious and effective inter-actions between the NSA, DIA, Army, Navy and Air Force exist. Efforts to mold the CIA activities into a unified program have been resisted vigorously. The apparent concept has been one of considering the DNRO as a coordinating official but not as one having direct operational authority over CIA programs.

b. USIB-NRO relations. USIB has been quite slow in revising the intelligence requirements against which the NRO must make long lead time decisions. In addition, USIB has attempted on occasion to vary the satellite launching schedule on the short range basis with which it deals with aircraft schedules. Work is now under way on revised statements of longer range requirements and recent NRO efforts to bring USIB to a closer understanding of satellite scheduling are producing better understanding.

c. NRO security policy and reform. Much work remains to make the over-all NRO security policy effective. The clearance billet structure is badly in need of revision. In addition, security reform is needed to reduce the number of individual

code word clearances which are necessary under the current policy. Work is under way to accomplish these objectives.

5. RECOMMENDATIONS

It should be noted that although the problems currently facing the NRO originated some time ago, they have not prevented substantial accomplishment. However, it should be noted also that these problems have become acute only recently, with the impasse reached in late December 1962 and early January 1963. That these difficulties must be resolved promptly in order to prevent serious degradation is evident.

Experience to date would suggest that two steps are required. The basic CIA-DOD Agreement and related NRO charter documents should be revised to clarify the desired nature of the NRO and the responsibility and authority of the Director of the NRO. In addition, measures should be taken to establish and support the internal organizational discipline essential to the repair of the present difficulties and the continuance of a high degree of effectiveness. Each of these steps should include certain specific provisions which are outlined separately below.

a. In regard to the revision, it should be noted that the present Agreement, while indicative of apparent harmony in

May 1962, has proven inadequate as a charter in little more than half a year. The numerous drafts of proposed agreements which preceded the 2 May 1962 Agreement, the many discussions required to reach this Agreement, the repeated refinement of phraseology which was necessary, and the extended time period required for completion of this process would suggest the presence of semantic masks in the final document; subsequent experience has verified the presence of two types. The first is phraseology sufficiently flexible to cover different points of view, representing agreement not reached in actuality and requiring only a matter of time to produce problems. The additional use of vague and generalized language to describe the responsibilities and infer the authority of the Director also give the status of apparent agreement to matters shown by subsequent experience to be unsettled. It would seem, therefore, that in the process of revision of the Agreement, clarity should be preferred to diplomacy, and the major questions which have arisen in the course of operation under the present Agreement should be dealt with clearly and unequivocally in enough detail to insure understanding by all concerned. In particular, the following points should be included:

(1) The revised Agreement should reaffirm and clarify that the NRO is intended to be an operating agency, with actual management responsibility for all projects of the National Reconnaissance Program, rather than a mechanism of coordination between agencies separately responsible for parts of this Program.

The National Reconnaissance Planning Group (NRPG), consisting of the Secretary of Defense and the Director of Central Intelligence, is responsible for providing policy and program guidance and for making final determinations in connection therewith which do not require the exercise of higher authority. The Director of Central Intelligence has agreed that the Secretary of Defense shall act as Executor of the NRPG, responsible for implementing plans and policies developed by the NRPG.

The Director of Central Intelligence and the Secretary of Defense have agreed to delegate responsibility for their respective Agencies' participation in the projects of the National Reconnaissance Program. The Secretary of Defense has delegated the necessary Department of Defense authority to the Director of the NRO. The Director of Central Intelligence has agreed to and made necessary

arrangements for the Director of the NRO to exercise necessary authority within the CIA. The Director of Central Intelligence, in accepting the (revised) CIA-DOD Agreement establishing the NRO, has agreed to require CIA compliance with the instructions of the Director of the NRO issued in the course of discharging his responsibilities outlined in the terms of the Agreement, and has designated in the Agreement a senior CIA official charged with the explicit responsibility to see that the terms and conditions of the Agreement are carried out within the CIA, including such instructions as may be issued by the Director of the NRO. The Director of the NRO will keep the Director of Central Intelligence informed of all such action, and the Director of Central Intelligence will insure that he is satisfied with the actions taken by the Director of the NRO insofar as the basic responsibilities of the Director of Central Intelligence are concerned, and will provide all appropriate guidance directly to the Director of the NRO.

The NRO is to accomplish its management task through maximum utilization of applicable existing resources

and personnel of the CIA and the Department of Defense. Such resources and personnel will be placed under directives of their respective agencies which make them directly responsive to the Director of the NRO or his designated subordinate officials within the NRO. The Director of the NRO will manage all projects of the National Reconnaissance Program by means of streamlined management structure and procedures.

(2) The revised Agreement should state the essential responsibilities and authority of the Director of the NRO as follows: Within the limits of applicable public law, within the provisions of the CIA-DOD Agreement establishing the NRO, and subject to continued instructions and guidance received directly from the Director of Central Intelligence and the Secretary of Defense, the Director of the NRO is responsible for the actual management of all projects assigned to the NRO and has been delegated the authority necessary to carry out this task. His decisions and directives are binding on all applicable CIA and DOD elements unless and until he changes them. In the event that either the Director of Central Intelligence or the Secretary of Defense desire such

changes, they will inform the Director of the NRO who will issue the necessary instructions to CIA and/or DOD elements. While the Director of the NRO may elect to use specific agreements as management tools in controversial or involved problems, he is not constrained by implication or otherwise to limit his management actions to matters upon which he has been able to reach and/or maintain agreement.

The Director will budget for the entire National Reconnaissance Program and will defend the program before all reviews necessary to secure its approval. Subject to the over-all limitations affecting his authority, described above, he is authorized to transfer funds from one project of the NRO program to another, as may be required to conduct the over-all program within available funds and in accordance with sound management principles, and to take any other action necessary to establish and maintain a strong and effective centralized management of the over-all program.

(3) In the revision of the Agreement, consideration could be given to the addition of a single Deputy Director of the NRO. Under the present organization, the three Program Directors also serve as Deputies, with the Director of the NRO Staff responsible to notify and assist the appropriate Program

Director in the resolution of any problem in his area which occurs during the absence of the Director of the NRO. Thus, for instance, the Director of Program B (presently the Deputy Director (Research), CIA) is actually Deputy Director for all NRO matters which pertain to the CIA, with the Director, Program A (M/Gen. Greer) and the Director, Program C, (R/Adm. Lowrance) having similar responsibilities for all NRO work under their jurisdiction. This arrangement has worked quite successfully except in the case of Program B.

However, if a Deputy Director of the NRO is established, it is essential to spell out his duties in detail. It would certainly be appropriate that such a Deputy be from the CIA. However, his duties in regard to the NRO should be assigned so as to avoid inadvertent continuance of the CIA-DOD dichotomy. In particular, he should not have the tasks, explicit or implied, of "looking out after the interests of the CIA" or of representing the Director of Central Intelligence to the Director of the NRO. The Director of Central Intelligence should hold the Director responsible for keeping him properly informed as well as for response to his guidance.

It would seem appropriate for the normal NRO duties of the Deputy to be centered on the NRO-USIB interface and on the NRO-exploitation community interface. In addition, in the absence of the Director of the NRO, the Deputy could, of course, act for him on any matter.

In view of the responsibilities assigned to the Director and the obvious effect of a harmonious Director/Deputy Director relationship in the successful carrying out of these responsibilities, it is essential that personnel selection be made on such a basis that they will function as an effective working team rather than as representatives of the DOD and the CIA.

b. Recognition must be given to the fact that revision of the CIA-DOD Agreement is a necessary but insufficient condition to resolve the problems facing the NRO. In addition to a clear charter, effective management of such a joint office requires the continued support of the Director of Central Intelligence and the Secretary of Defense in order that the Director of the NRO may establish and maintain essential internal office discipline. Since the Director is from the Department of Defense, the main burden for this support falls upon the Director of Central Intelligence.

In particular, each of these officials should deal directly with the Director of the NRO for all NRO matters, rather than through intermediate NRO personnel of their respective agencies. This is fundamental to the maintenance of internal NRO organizational discipline.

The Director of Central Intelligence and the Secretary of Defense also should take appropriate action from time to time to support the thesis that the projects of the National Reconnaissance Program are neither CIA nor DOD projects, they are NRO projects, part of a single national program, elements of which are supported by the resources of the CIA and the several Services of the DOD.

c. During the course of revision of the present Agreement, it may be well to give careful consideration to an additional question raised by the CIA during the past year. This question concerns the intent of the Congress in the establishment of CIA privilege, and has been raised during discussions as to the desirability of the CIA holding all covert contracts of the NRO, as intended by the present CIA-DOD Agreement.

The CIA presently holds covert contracts for several projects of the National Reconnaissance Program. The Department

of Defense elements of the NRO also hold several covert contracts, the most significant of which are those for the GAMBIT and [redacted] satellite projects. At the NRO organizational conference, held in late May 1962, agreement was reached to transfer these covert contracts from the DOD elements of the NRO to the CIA. When the agreement was not carried out during the following summer, it was reaffirmed by discussion between the Director of the NRO and the Director of Central Intelligence on 1 October 1962. However, subsequent instructions from the Director of the NRO to the CIA still were not carried out. The Deputy Director (Research), CIA has repeatedly stated, before and after the discussion between the Director of the NRO and the Director of Central Intelligence, that such a course of action was undesirable since it might constitute doubtful use of the basic CIA privilege by involving that privilege in actions which, if not actually illegal, at least might exceed the actual intent of Congress in regard to the proper use of such privilege. This same objection had been stated repeatedly by by the Deputy Director (Research) and other CIA personnel during the summer of 1962.

It is most desirable, of course, that the basic intent of the Congress in establishing the privileges of the CIA be respected in all NRO management arrangements. However, in view of the fact that the CIA has over-all security responsibility for all projects of the National Reconnaissance Program, regardless of the Agency or Service having responsibility for contract administration or technical management, and in view of the fact that the establishment of the National Reconnaissance Office has been reviewed and approved at the highest national level, it is not apparent that there is anything fundamentally wrong with using the CIA to do contracting for NRO projects for which technical management responsibility is assigned to NRO elements of the Department of Defense.

In fact, in the light of prevailing circumstances, such service to the NRO would seem to be the only justification for the CIA to continue to hold the present CIA contracts for satellite reconnaissance projects, insofar as the basic Congressional intent for the use of CIA privilege is concerned. This situation is outlined briefly below.

The CIA contracts for the CORONA satellite reconnaissance project originally were placed for an unquestionably

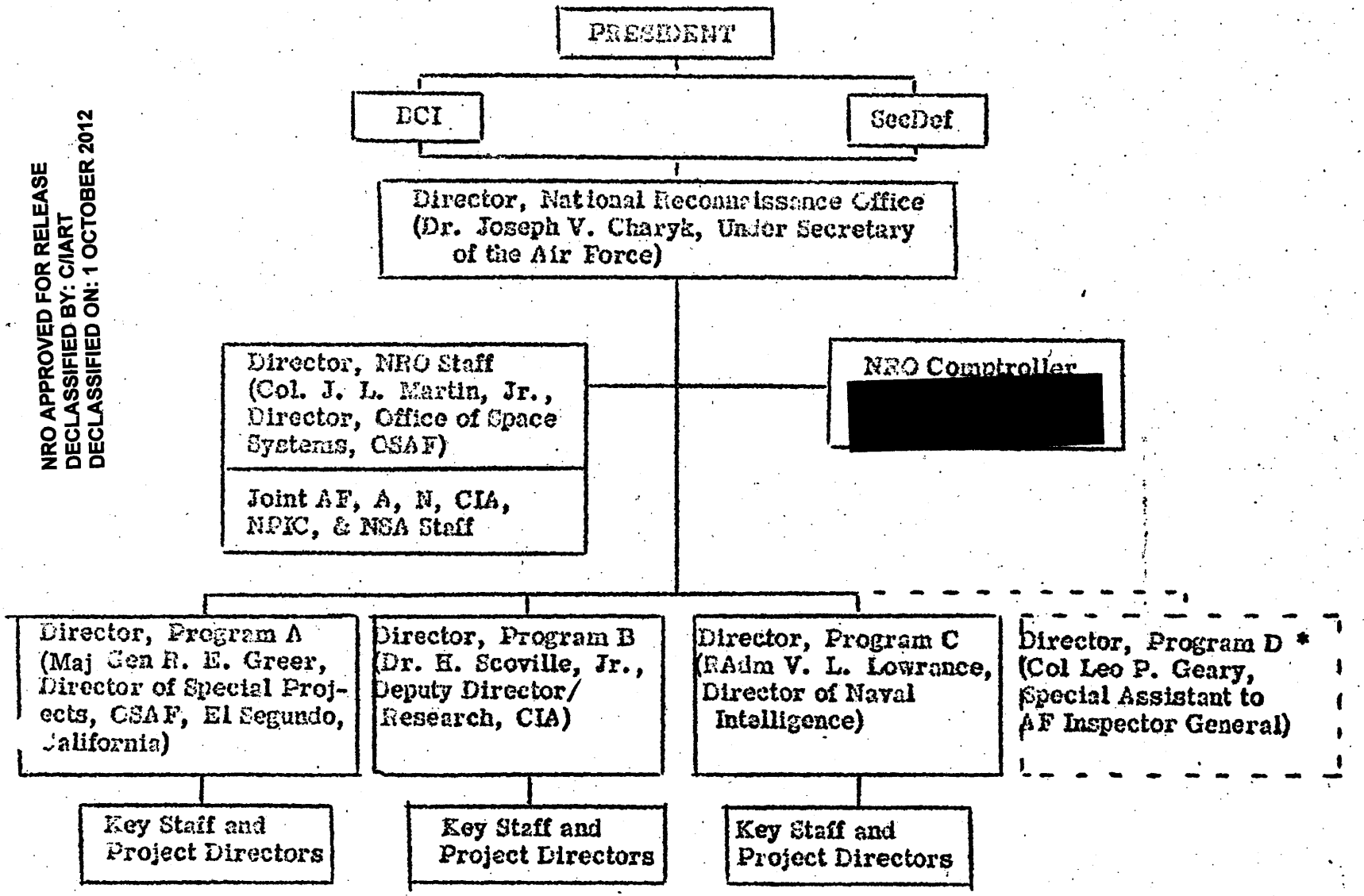
covert project, with unimpeachable cover for all publicly observable actions. At that time, the SAMOS and MIDAS projects were acknowledged, funded projects requiring future launches of large numbers of ATLAS boosted AGENA vehicles, and the AGENA was a new, undeveloped vehicle required for these large projects, consequently its development and the perfection of associated techniques aboard the cheaper THOR booster was an entirely credible story for the DISCOVERER project, and perfect cover for CORONA. The ancillary recovery of various lightweight research experiments provided additional diversionary material. However, with the passing of time, this cover has completely disappeared. Over ninety percent of all DOD space launches are now reconnaissance missions. Without the protection of the current DOD policy concerning space launches, it is difficult to conceive of reaching the current date without widespread public discussion of the fact that the THOR boosted AGENAs in polar orbits are now and probably have always been conducting reconnaissance missions. There is simply no other rational conclusion which an acute observer could reach in view of the cumulative total of THOR launches in polar orbits,

the obviously successful development of the AGENA vehicle and physical recovery techniques, the use of the AGENA vehicle on the ATLAS and in NASA projects, the cumulative expense of the THOR launched AGENAs in polar orbit, and such other factors as the THOR launch rate of three per month during the summer of 1962 and the re-arrangement of THOR launch schedules to permit extra launches following the Cuban crisis in the fall of 1962. Starting from a bona fide covert project, CORONA is today, at best, not a covert but simply a highly classified project, identical in this regard to other satellite reconnaissance projects under contract for several years to DOD elements of the NRO. The same is true of the LANYARD project.

Under these circumstances, it would seem that continued use of CIA contracting for these projects would be highly questionable insofar as the basic Congressional intent for the use of CIA privilege is concerned, were it not for the fact that the CIA performs this action as a service to the NRO.

The revised Agreement should include clear resolution of this fundamental point in order that the several different

contracting methods now in use within the NRO may be consolidated within a more uniform and secure procedure under the CIA, while still permitting the assignment of technical management responsibility to the most experienced and best qualified elements of the NRO.



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* Being established