JAN 19 1968

MEMORANDUM FOR DR. FLAX

SUBJECT: MOL Program Structure Title Change

I have rewritten both the Confidential and BYEMAN classified
rationale for moving MOL from Package 6 to Package 3 and I have
incorporated your suggestions and corrections except for changing
the title of Program Structure Code 3 (Intelligence and Communications).
This is the official title for Package 3. The program structure codes
and titles are established by OASD, Comptroller as part of their
programming and documentation structure. DDR&E specifies the package
to which each program element is assigned.

To answer your question in your marginalia with regard to where
reference to MOL and Package 3 appear and to examine the difficulty of
changing the Package 3 title, I have had my people do a little background
work (Atch 3). Unfortunately, the Package 3 MOL relationship appears
in a very wide variety of documents involving programming and budgeting.
These include the Defense Structure Handbook, Five Year Defense Plan,
the project listing to Congress and a number of others. To change the
title, will certainly require your assistance. It seems that Package 3
was correctly titled Intelligence and Communications initially; it has
now become somewhat of a catch-all for a variety of specialized activities.
But this is not necessarily apparent to everyone. The courses of action
available to us are as follows:

a. Do nothing. The advantage to this solution is that it
could not draw undue attention to MOL or imply any great concern on our
part as it is included in the Other Activities sub-category under
Intelligence and Communications. The disadvantage is that a very wide
audience will be exposed to an undesirable association between MOL and
Intelligence and Communications should they only make a cursory examination
of the Program Structure Code 3 content.

b. Take action to remove MOL from Package 3 and have it placed
back in Package 6. This has the advantage of removing the intelligence
stigma by placing MOL in the package where it technically and correctly
belongs. The disadvantage is that it does not serve the purpose for which
the present change was made and, therefore, it is probably not agreeable
to Mr. McNamara to whom the change was attributed.

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c. Take action to retitle Package 3 to "Special Activities," "General Support," or "Activities (Other)." The advantages to this solution are that it eliminates the MOL intelligence association and it is more descriptive of the contents of Package 3 than the present title.

I recommend solution c. I have prepared a letter for Dr. Brown's signature which recommends this change.

SIGNED

JAMES T. STEWART
Major General, USAF
Vice Director, MOL Program

4 Atch
1. MOL from Package 6 to
Package 3 (Conf)
2. MOL from Package 6 to
Package 3 (BYEMAN)
3. Memo for Record,
Jan 18, 1968
4. Ltr from Dr. Brown's
signature

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MOL FROM PACKAGE 6 TO PACKAGE 3

The DoD Program Structure Code assigned to the Manned Orbiting Laboratory (MOL) Program has been changed to reflect program potential and significance in the Department of Defense. In the early phases of the program, MOL was assigned to the Advanced Development portion of Program Structure Code 6 (Research and Development). In January 1967, MOL was placed in the Engineering Development portion of Package 6 to categorize the Phase II effort. As of July 1, 1968, the MOL will be transferred to the Other Activities portion of Program Structure Code 3 (Intelligence and Communications.) Program Structure Code 3 consists of missions and activities directly related to the Strategic and General Purpose Forces on which independent decisions can be made; it includes resources for primarily national or centrally-directed DoD objectives. Package 3 includes not only intelligence, security, and communications items, but also command and control systems, and specialized missions such as weather service, aerospace rescue and recovery, air traffic control, oceanography, and various other activities. The general rationale for this reclassification follows:

The principal objective of the MOL Program is to

obtain ████████████████ resolution photography of sig-

nificant targets in denied areas for technical, strategic,

and tactical intelligence purposes. This objective will be

reached through the development of the necessary high

resolution optical technology and space vehicles for either

manned or unmanned use.

One of the attractive features of space system

developments contrasted with many air, sea, and ground R&D

efforts is the achievement of useful operational functions

on a first flight -- barring a catastrophic flight failure.

Some examples are the VELA nuclear detonation detection

satellites, the Initial Defense Communications Satellite

Program (IDCSP) and the various unmanned photographic and

SIGINT reconnaissance satellites of the NRO. While this

latter group of spacecraft/payload combinations have

characteristically shown marked improvement with time,

they have consistently provided important and highly useful

intelligence collection from the very beginning.

The manned version of the MOL system is being developed

and will be flown first because this gives the highest

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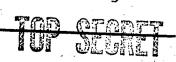
assurance of meeting the resolution goal at the earliest

reasonable date; will insure a useful reconnaissance

product at the outset; and will contribute to the maturing

of the unmanned system at a much earlier date than probably

otherwise would occur. An unmanned version of the MOL is

also being developed to insure a national capability to

acquire very high resolution photography in denied areas

should international objections, foreign threats, or some

now unknown man-in-space physiological limitation preclude

extended manned operations.

The MOL system is being developed as an operational

reconnaissance system. Most of the components are standard

items or modifications thereof (for example: the Gemini,

Titan-III, space suits; environmental control system; fuel

cells, etc.). Only the camera system and related systems

which serve pointing functions constitute state of the art

advances. The MOL will be operated from the outset in

response to target coverage requirements of the United States

Intelligence Board in conjunction with unmanned National

Reconnaissance Program satellites.

From the above, it is quite clear that the MOL

Program is properly located in Program Structure Code 3.

It has been placed in the Other Activities sub-category

rather than the Intelligence portion to avoid direct and

open confirmation that MOL is in fact an intelligence

collection system.

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January 18, 1968

MEMORANDUM FOR RECORD

SUBJECT: The MOL Program Element in Package 3

On January 17, I met separately with Mr. Tom Everett of the Office
of the Assistant Director, Programming, DDR&E, and Mr. Alexander
Sinclair of the Office of the Deputy Assistant Secretary, Management
Systems Development, OSD Comptroller. These meetings were generated
in response to Dr. Flax's continuing concern with the difficulties
which might result from the inclusion of MOL in the Package 3 category
because of the title "Intelligence and Communications." Their purpose
was to explain the desirability and justification for changing the
Package 3 title from "Intelligence and Communications" to something
like "Specialized Activities," "General Support," "Activities (Other),"
or something else which would be more properly descriptive of the
program elements which are now in this group.

Mr. Everett was in total agreement with the need and propriety
for the change, but admitted that although DDR&E was responsible
for determining to what RDT&E program an element would be assigned,
OSD Comptroller was responsible for assigning the program element
number, category titles and just about all else having to do with
program structuring and documentation.

My meeting with Mr. Sinclair was a rather interesting one. At
the outset, he pointed out that he didn't understand why the Air Force
had moved MOL into Package 3 to begin with. I recited to him the
actual sequence of events, as we knew it, (Atch 1), to establish that
this was not an Air Force generated change. He then permitted me to
read a short position paper, written by him, in which he disagreed
with the DDR&E directed transfer of our program to Package 3. The
basis of his objection was that inclusion of MOL in Operational Systems
Development violated the basic criteria established for this class of
program elements. This criteria requires that the program be related
to efforts involving RDT&E and Production/Procurement. His position
was that the remedial action required was not to change the title of
Package 3, but to remove MOL from the Operational Systems Development
category. We discussed the applicability of the title to programs other
than MOL, such as T-III, Aerial Targets, Aerospace Rescue/Recovery, etc.
Mr. Sinclair observed that many of these program elements were new

additions to the Package 3 group and although he agreed that perhaps some other general title would be more accurate, each action had the very specific knowledge and approval of Mr. McNamara.

I asked whether in view of the fact that there were now a substantial number of Package 3 elements for which the title "Intelligence and Communications" was a misnomer, he thought that at some near future date he might propose a title change. His response was that before he would consider changing the title he would argue that the elements which did not meet the DODI 7045 series criteria be removed from the group. He indicated that any title change at this time would have to come from "topside."

My conclusion is that there is no quick and easy way to officially remove MOL from the danger of the "Intelligence and Communications" label. We can only rationalize that there are other programs included which are obviously not intelligence or communications, and that the title is an unfortunate catch-all for a pot pourri of program elements.

For the long view, however, it seems almost mandatory, but certainly desirable that we initiate action for an official change to the record. The MOL program element under the "Intelligence and Communications" label will appear in many, many documents with rather wide circulation, i.e., the Defense Structure Handbook, the Table 32 program/budget listings, the Five Year Defense Plan, the Project Listing to Congress, in fact in almost every detailed or definitive programming/budgeting document.

I recommend that this change action be initiated by a memorandum from Dr. Brown to Mr. McNamara. A suggested memorandum accompanies this report.

BERTRAM KEMP
Lt Colonel, USAF
SAFSL

2 Atch
a/s

origin Mgt II

January 4, 1968

MEMORANDUM FOR RECORD

SUBJECT: Program Element Number Change

On 3 January, I spoke with Mr. Knutson, Assistant Director
(Programming), DDR&E, to try to determine the basis for transferring
MOL into the Operational Systems Development category. According to
him, the story goes as follows.

During the week preceding Christmas, there were a series of
discussions between Mr. McNamara, Dr. Foster, Mr. Anthony and
Dr. Brown. After one of these sessions, Dr. Foster came out of
the meeting with a hand written note, which was given to Mr. Knutson,
and which had words to the effect "transfer MOL into Program 3."
Mr. Knutson then asked the OSD Comptroller to assign a mission
element number for MOL, and the 3.51.21F came into being.

It is Colonel Ford's view that the perturbations which would
be required to try to get the P.E. number changed might be interpreted
as an overreaction, and might be suspect to persons not having access
to the program. This, together with the fact that the decision was
apparently made at a very high level, would suggest that accepting
the change without comment might be the lesser security risk.

BERTRAM KEMP
Lt Colonel, USAF
Program and Policies Div,
SAFSL

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DEPARTMENT OF THE AIR FORCE
WASHINGTON 20330

OFFICE OF THE SECRETARY

MEMORANDUM FOR SECRETARY OF DEFENSE

SUBJECT: MOL Program Structure Title Change

You will recall that during our December meetings
MOL was one of the programs transferred from Package 6
to Package 3 of RDT&E.

Both I and Dr. Flax are somewhat concerned with
respect to the inference which probably will be drawn
from the assignment of MOL to Package 3 ("Intelligence
and Communications"). Although many of the program
elements now listed under various sub-categories of
Package 3 have no direct relationship to the cited
intelligence and communications activities and systems
(e.g., national military command system, weather service,
aerial targets, T-III vehicle, air traffic control,
aerospace rescue/recovery, etc.), more than a cursory
knowledge of the contents is required to detect this
somewhat obscure distinction.

Unfortunately, the program structure codes are used
in a variety of budget and programming documentation
which receive widespread distribution within the Depart-
ment of Defense, in Congress, and to other agencies. I
feel it is an undesirable situation for MOL to appear in
these documents under an overall intelligence and commu-
nications label. It may be asserted in various quarters,
although perhaps not completely logically, that this
constitutes official confirmation of the intelligence
character of the MOL Program which, of course, violates
our basic security policy toward satellite reconnaissance
programs. This then would place us in the defensive
position of trying to explain the subtleties of the
various sub-categories within Package 3. Although the

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real-world political and security risk may be small, I
feel it is in our best interest to avoid this potentially
sensitive situation if possible.

An examination of the total contents of Package 3
confirms that only a portion of the program elements in
the package are in fact intelligence and communications
items. Package 3 has evolved into a collection of a
number of dissimilar items and, in effect, has become a
catch-all for many activities which do not logically fit
in other areas. It may therefore be reasonable to
retitle Package 3 to one which more accurately describes
its contents. I recommend that the title be changed to
"General Support" or "Special Activities" and that this
be done as quickly as possible. Prompt action will permit
incorporation of the new title in appropriate DoD and
AF FY 69 budget and programming documents.

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