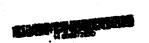
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23 MAY 1963

MENORARUM FOR: Director, NEO Progress A Director, NEO Progress B

SUBJECT: MRO Processing and Printing Technology Research and Development Contracts with Eastern Models Company

(This memorandum supersection of 63, subject as above, dated lo May 1963, all copies of which will be distroyed).

Since being appointed Director of the Estimal Recommissance Office, I have been concerned over the existence of two separate MO contracts involving level-of-effort within the same general field at the Eastman Kodak Company. I have carefully reviewed the controversial background against which both of these contracts were established, including the rationals used by the former Director in directing the contract presently held by the Director, MNO Program A, and the rationals advanced in support of the continued existence of the MNO Program B contract. I connot allow the present situation to continue. Regardless of the amount of MNO contral, which name to possible after efforts under either contract exceed the advance of funds, there is inadequate control below this limit. Furthermore, the existence of two contracts has in effect doubled the previously agreed to level-of-effort which the MNO should support at the Eastman Euclak Company, in addition to complicating the task of sound and efficient management of the total MNO development effort in this important area.

I had hoped that this matter sould be resolved by agreement. However, after numerous discussions, I am left with no alternative but to make a decision and direct corrective action. After considering the views of the Director, EMO Program A, the Director, EMO Program B, and those of members of the EMO Staff, I have reached a decision that the EMO will have a single processing and printing technology research and development contract with the Enstman Modek Company, which will include all EMO level-of-effort EMD, sole source product improvement of processing equipment and sole source development of new equipment in this field. It will not include processing, technical consultation and training services in this field, or procurement of films, chamicals and photographic materials. Accordingly, under the authority delegated to me in paragraph IV, C of the 13 March 1963 DOD-CIA Agreement, I hereby easign tasks and direct action as follows:

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- a. The CIA is assigned the tank of providing contractual administration for this contract. The contracting officer will be physically leasted at the Air Feros Space Systems Division (MAPEP), El Segundo, California, and assigned to the Director, MED Program A. I assume that the CIA contracting officer who is presently essigned to the Director, MD Progress A vill be delegated this task.
- b. The Director, NEO Program A, is easigned the task of technical management of this contract. He will earny out this responsibility through utilization of a 3-sam board which will operate in a manner similar to that of the CCB which has functioned so successfully in other MRO efforts. The Director, MRO Program A will provide the distance of this board, with one number to be provided by the Director, MRO Program I, and one number to be provided from the INO Staff.
- e. The surrent work statement of contrast AF shall be utilised for this contract.
- d. In accordance with the shows, the present A contract is to be transferred to the Mil Co and the present CIA MiD contract i be terminated. The two significant projects e poor approved backtonerly by the Director, MD Progra e covered under the transferred
- e. The Director, Mil Program A is to contract separately with the Mastman Modek Company for necessary technical consultation and training services for MPL.
- f. The CIA will provide for MRO processing by the Restman Kodak Company through a separate contract.
- g. Procurement of films, chemicals and supplies of photographic materials will continue to be hendled as at present, through separate CIA and DOD contracts, under NNO direction.

While I realise that the show direction will not be considered ideal by all involved, it is my considered judgment that it represents the most reasonable course of action. In recognition of the CIA responsibility for contrast administration of the MO processing laboratory at the Mastuan Modek Company, the responsibility for administering the contract for the related research and development effort is easigned to the CIA. In recognition of the existing research and development program in the field of processing and printing technology being carried out by the Director, MD Program A, which involves measures projects with other contractors, in view of the existing Program A espabilities for technical management of both this program and the program at the Sestmen Rodek



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Company, and in recognition of the fact that many of the developments which will result from both efforts will be utilized in the imboratories operated by various Department of Defence elements, the technical management responsibility is essigned to the Director, NNO Program A. This follows the same pattern of task assignment successfully and homonisusly carried out in the NNO LANGARD project, in which the CIA provides similar contractual administration and the Director, NNO Program A is responsible for the technical management. Purthernore, it provides single point management of the entire NNO NAD effort in this field while necessing full consideration of the views of the separate NNO units involved.

The above direction is to be implemented promptly. It is essential that this situation be elected up without further adverse effect upon the MRO, the contractor, or the projects involved.

Signed Brockmy McMillan Director National Reconscissance Office

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