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(S) NATIONAL RECONNAISSANCE OFFICE

WASHINGTON, D C

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OFFICE OF THE DIRECTOR

21 October 1975

MEMORANDUM FOR DR. HALL, ASD(I)

SUBJECT: NRO Reorganization

The DCI's proposal for the reorganization of the intelligence community of 13 October 1975 identified the National Reconnaissance Program (NRP) among other specific problem areas. The report referred to the NRO as being "... an anomalous patchwork originally constituted in a period of bureaucratic strife." These words were also used in Annex C which dealt with the history, present capability, and options for reorganization. I believe that the descriptions tend to over-dramatize the somewhat strained relationships between DoD and CIA which existed at the time when the NRO was organized to meet the specific need of developing reconnaissance satellites.

Based on my experience working for the NRO as a contractor, and in these two years as the DNRO, I agree that the organization suffers from the degrees of compromise that were necessary in its founding. However, this problem notwithstanding, I believe the NRO is one of the best run development organizations in our government. This happy circumstance results from two basic factors provided for in the original incorporation, namely: streamline management and a dedicated group of individuals with provision for longevity in assignments.

The CIA study identified an alternative organization for the NRO (page 78). Here, they propose an integrated operational organization jointly staffed by elements of the DoD and CIA and headed by a DNRO with line responsibility (essentially the same responsibilities as at present). This organization would be analogous to NSA and, armed with an appropriate NSCID, could provide for streamline management and tight program direction. This organization would be effective in dealing with Congress on the matter of programs and resources, and with the many military and non-military customers for its output data. They pose a problem, however, relative to where the organization would report.

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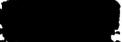
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On the basis of some consideration within the NRO, I have concluded that the reorganization of the NRO could be patterned after NSA and that internal program simplifications could be effected in the interest of efficiency. In view of the increasing interest by the military services in the output data of its acquisition programs, I believe the organization could report effectively to the SecDef. The difficult part in such considerations is maintaining the critical provision of streamline management and proper personnel policies. Attachment A provides our first thoughts on guidelines for the reorganization..

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Attachment

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ATTACHMENT A

A RECAST OF THE NRO

In order for an NRO mechanism to be useful, several essential elements must be embodied in the structure.

- SINGLE RESPONSIBILITY

An NRO should have single governmental responsibility for reconnaissance satellite development, acquisition and on-orbit operation. It should be located in the Washington, D.C. area for the maintenance of close contact with the intelligence community, resource managers and the Congress.

- UNAMBIGUOUS REQUIREMENTS

An NRO should be divorced from the requirements mechanism and the tasking authority insofar as influencing the process. On the other hand, there should be a single manager (individual or properly constituted board) to provide requirements for the organization to satisfy.

- FENCED BUDGET

An NRP should be established at the Executive level based on desired objectives. An NRO should maintain direct relationships with the Congress and maintain internal flexibility for reprogramming monies within the authorized budget.

- STREAMLINED DECISION MAKING

An NRO should be responsive to a single high level chain of command for its programs and budget. The Director of the reconnaissance satellite program should be the authority to make day-to-day resource decisions and call upon the chain of command as necessary. The Director should have total control over the operation of the field organizations and the contracting mechanism.

- LIMITED REVIEW

To assure streamlined management, the normal review process should be replaced by a special review cycle so that

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the normal bureaucracy does not interfere with the program activities. On the other hand, sufficient review should be provided at the higher levels to assure that the program is responsive to the requirements.

- END-TO-END CONTRACTING

An NRO should contract for the total reconnaissance satellite system from concept development through on-orbit operation and ultimate failure. Special reporting procedures should be incorporated in the contract mechanism. Favorable contractor relationships should be maintained.

- MINIMUM MANNING

An NRO should be kept small and low profile in its activities. Manning should be stabilized below the Director level to afford continuity. The organization should be non-service/CIA oriented and provide balance between the services and the intelligence agencies. Emphasis should be focused on maintaining a streamlined SPO concept. Field organizations should be non-service/CIA oriented and should provide strong R&D, system engineering and contracting capabilities. Manning for collection operation incorporated in the intelligence agencies as opposed to the NRO.

- SELF POLICING

An NRO should be responsive for internal controls over its operations and should call upon conventional audit or inspection agencies as required under the discretion of the program Director. Special controls for audit and inspection should be maintained.

- SECURITY

A strong security system should be maintained in order to afford minimum program visibility to those outside the resource and user areas. A strict need-to-know association with the program should be emphasized to protect sensitive technology for extended periods of time and to afford management efficiencies.

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