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OXCART/TAGBOARD

~~1ST~~ NATIONAL RECONNAISSANCE OFFICE
WASHINGTON, D.C.

THE NRO STAFF

November 4, 1966

MEMORANDUM FOR DR. FLAX

SUBJECT: TAGBOARD

1. The draft memorandum to the ExCom on the reorientation of the TAGBOARD Program was delivered to Mr. Vance's office earlier this week (I don't know if he has seen it yet). Although I assume the TAGBOARD Program will be continued, there probably will be some deliberations ahead before ExCom approval is given (in view of BOB interest and Mr. Helms' concern with the overall cost of intelligence collection).

2. Meanwhile, we are at the point today where some program direction and guidance must be given Lockheed. In early August, after his discussion with you about the launch accident, Kelly Johnson (via a letter) placed his sub-contractors and vendors on a 90-day restricted work status (the minimum effort applicable to either launch technique and engineering applicable to the B-52 launch). Hycon, who is an associate contractor and on separate contract, was permitted to continue working on the second procurement increment of seven cameras (reduced from 15 after the accident).

3. The 90-day period is up at the end of this week. Kelly Johnson needs to give some direction to his sub-contractors (Marquardt and Minneapolis Honeywell North and South) and vendors. Some possible options are as follows:

a. Attempt to hold the team together. This probably would work for the bulk of the key people at Lockheed, Marquardt, and M-H, but does not appear to be a practical solution for vendors who provide finished items. This would result in a sizable program slip and not result in much progress for the money spent.

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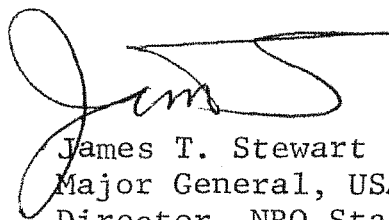
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b. Terminate everything except the engineering effort at Lockheed. Unless the program were terminated later, this would impose at least a several months slip.

c. Release Lockheed, Marquardt, and Minneapolis-Honeywell to start work on the proposed program, but control expenditures on a month-by-month basis. This would not be too expensive for November and would protect the earliest possible operational date.

4. I gather that from 1 July through 31 October, the TAGBOARD Program has "spent" about \$8.6 million (\$2.3 million to Lockheed for A-12 and other support at Area 51; \$5.3 to Lockheed and the sub-contractors; \$1.0 at Hycon). Approval to start at a reasonable rate now would involve the obligation of about \$3-3½ million more in November (\$2.0 to the sub-contractors and vendors; \$1-1½ to Lockheed). The rate of spending would go up in December--\$53.0 million is proposed for the reoriented program in FY 67 (including the \$25.0 million carried over from FY 66) and only about \$12.0 million would have been spent through November.

5. I recommend you approve initiation of work on the proposed program and limit spending on a month-by-month basis--pending final go-ahead approval--starting with a maximum of \$3.5 million in November. All that is needed is direction to Kelly Johnson since more than enough money was released last Summer.


James T. Stewart
Major General, USAF
Director, NRO Staff

M/R Nov 4
Dr Flax approved
one-month go ahead
@ \$3.5 million for
Nov. Col Saunders
to send TUX to K.J.

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