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NRD

DEPARTMENT OF THE AIR FORCE
WASHINGTON



OFFICE OF THE UNDER SECRETARY

March 2, 1965

Dear General Carter,

I am very concerned about the lack of progress in implementing the 12 August agreement between Mr. Vance and Mr. McCone to employ [redacted] in a general systems engineering role in the CORONA program. On 14 August, instructions were issued to: (a) authorize [redacted] to take necessary actions with [redacted] (b) authorize [redacted] to incorporate the appropriate enabling clauses for the [redacted] function in contracts held with ITEK, GE(R/V) and LMSC (A/P); (c) authorize [redacted] to allow the System Engineering contract with LMSC to expire, and (d) authorize [redacted] to initiate a contract with LMSC to perform a Systems Integration effort in view of the employment of [redacted] in a Systems Engineering capacity.

On 17 August, the Director of Program B Contracting Officer notified ITEK, GE, and LMSC that the enabling clauses would be incorporated. To date, only the ITEK contract has been amended to include the [redacted] clause.

In accordance with my instructions, the Systems Engineering contract was allowed to expire. However, when [redacted] attempted to sign the Systems Integration contract with LMSC, the Director, Program B Contracting Officer verbally directed the LMSC Contracting Officer not to sign because of two reasons: (1) [redacted] had not submitted a formal request to Director, Program B, for authorization to apply "methods, materials, or equipment being generated under the contract" between LMSC and Director, Program B Contracting Officer; (2) security procedures contained in the contract between [redacted] and LMSC were more restrictive than those in contracts held by the Director, Program B Contracting Officer.

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The circumstances behind these two reasons have been looked into and the following is an explanation of the facts now available to me.

a. [REDACTED] did, in fact, discuss the use of "methods, materials, or equipment being generated under the contract" with [REDACTED] Director, Program B Contracting Officer who was responsible for administering the Systems Engineering contract. [REDACTED] stated that he could see no objections to [REDACTED] consummating the contract with LMSC. Further, the instructions issued by my office authorized [REDACTED] to proceed and I do not consider it within the prerogative of a contracting officer to take unilateral action to the contrary without prior consultation with my staff or my immediate office.

b. At the request of Mr. Vance, a team composed of an NRO Staff representative, a security officer from Director, Program A, and one from Director, Program B, were sent to the LMSC to arrive at a recommendation as to disposition of the differences in security practices and procedures in existing contracts and in the contract proposed by [REDACTED]. The recommendation unanimously agreed to was that the security practices proposed by [REDACTED] were an exact interpretation of the [REDACTED] Security Guide and that these more stringent security requirements should be adopted and standardized within LMSC. The report was forwarded to you, and in your 16 November memorandum you agreed with the recommendations.

The result of all of the above is that [REDACTED] is not performing the general systems engineering function because the enabling clauses have not been formally incorporated in the GE and LMSC contracts, the security practices have not been standardized at LMSC, and the System Integration contract with LMSC has not been signed.

I would appreciate your immediate support in issuing necessary directives to correct the situations outlined above

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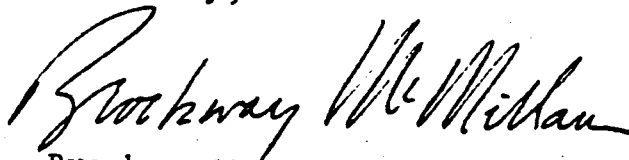
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so that we may comply with the agreements reached between Mr. Vance and Mr. McCone. If you have any questions, I suggest we get together at the earliest opportunity.

Sincerely,



Brockway McMillan
Director
National Reconnaissance Office

General Marshall S. Carter
Deputy Director
Central Intelligence Agency

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