

9 DEC 1963

[REDACTED]

MEMORANDUM FOR: Deputy Director (Science & Technology)

FROM : [REDACTED] - Agency Contract
 Representative in [REDACTED] Office,
 Los Angeles

SUBJECT : Report by [REDACTED] Covering
 CIA/AF Relationship in [REDACTED]
 Office

1. There are two basic attitudes in Los Angeles which I think represent the Air Force concept of CIA/AF relations. [REDACTED] Deputy, feels that the Agency's responsibility in satellite reconnaissance should be limited to establishment of requirements and thereafter to the processing and interpretation of photography. He considers that R&D, technical direction, launch, operation and control of the payload should be Air Force responsibilities. An exception to this is AF willingness to have the Agency do "black" contracting and be responsible for security. Notwithstanding that [REDACTED] has a large contract organization now doing "black" contracting for [REDACTED] and other satellite programs, I believe [REDACTED] generally reflects the attitude of [REDACTED] and his Staff on this subject. [REDACTED] has expressed the foregoing attitude on several occasions.

2. The other very basic attitude has been evidenced in [REDACTED] reluctance to undertake open control of the M and J Program [REDACTED]. There have been several instances when it was apparent that he wished to avoid a head-on collision with the Agency. This is reflected in a recent conversation (Monday, December 2) in which [REDACTED] asked who had the contracts for the recovery buckets furnished by General Electric. I told him these were Agency (Headquarters) contracts. Because of the failure of the recovery bucket on the last M mission he stated that some action would have to be taken with GE. He felt, however, that [REDACTED] could not take direct and open action with GE without incurring adverse response from the Agency on the premise that contract responsibility rested with the Agency in Washington.

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3. Notwithstanding the foregoing, both [redacted] (the Agency Security representative) and I have witnessed a positive trend towards consolidation of total AF management and technical control of the satellite programs. This definitely appeared when Colonel Lee Battle was reassigned and his responsibilities as Director, [redacted] were undertaken by Colonel Roy Worthington. Colonel Worthington is more responsive to [redacted] than Colonel Battle was, and is most certainly carrying out [redacted] orders involving investigations of Itek and Lockheed. Recently, Air Force teams under Colonel Worthington have "wire-brushed" these two contractors, reporting what they consider to be serious deficiencies in the contractors' management and technical direction of the M and J Programs. These teams have insisted that very substantial management changes be made (at least in the case of Lockheed) involving extensive reorganization and thereafter formalization and documentation of test procedures, quality assurance and engineering. These requirements are now being imposed upon the contractor and will most certainly increase the cost of the Program. I am not technically qualified to state whether all of the recommended changes are required, but it would appear that the investigations have been stringent and rigorous.

4. Another indication of extension of control is the proposed cancellation of the [redacted] Program as a cover arrangement. This would eliminate the need for SSD as a parent cover organization for the [redacted] Program and would bring the actual management of the Program directly under [redacted]. It must be admitted, however, that the Discoverer Series [redacted] has probably outlived its usefulness as a cover arrangement, and the proposal is in order from a security standpoint. It does, however, lend itself to the trend towards total control by [redacted].

5. The trend towards AF consolidation of management control can be summarized in the following basic areas: (1) Technical, (2) Contracts, (3) Budget and (4) Reorientation of black payload contractors toward Los Angeles.

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6. I have already mentioned the direction of trend in the technical area. In contracts, it is apparent that [redacted] and particularly Colonel Worthington, would like to see all of the black payload contracts consolidated under my direction in Los Angeles. If it were possible to maintain Agency identity, policies and practices in the procurement area, I believe the consolidation would be a move towards efficiency. However, with technical direction under [redacted] control it is quite apparent that the contract functions would become a mere service to [redacted] and his Staff over a period of time. Unless the Agency has strong and positive technical control, I do not believe that we can maintain Agency contract integrity.

7. In the budget area [redacted] has already directed that the budget for satellite payloads be consolidated under [redacted]. As a result, even on contracts administered by Headquarters, it is necessary for me to develop cost information by constant communication with Messrs. [redacted] in the Agency. When I receive this data, I relay it to [redacted] budget officer after which it becomes the single budget submission to NRO. Obviously, as time goes on [redacted] will be able to exercise greater control through the budget.

8. The fourth trend is that involving Air Force effort to orient black payload contractors towards Los Angeles by forcing them to recognize that [redacted] is now making the decisions which formerly came from the Agency. The investigations which have been conducted at Itek and Lockheed have resulted in these contractors looking to [redacted] as the point of control. If more technical direction is exercised by [redacted] and if contracts are consolidated in Los Angeles along with the budget, it is certain that all black payload contractors will be completely oriented in that direction, unwillingly.

9. In my discussion with you I mentioned that [redacted] functions as a direct representative of the Secretary of the Air Force in an organization called [redacted]. He is not in the chain of command from SSD through Air Force Systems Command to General Schriever. In fact, the security and black procedures

used by [redacted] and his Staff to accomplish their job are an effective means of keeping the rest of the Air Force out of the satellite reconnaissance business. [redacted] exercises its special standing with the Secretary of the Air Force to secure priority treatment and special attention in many, many areas. If it were not for this, [redacted] organization would be bogged down with routine military regulations. Each of [redacted] Program Directors, for example, Colonel Worthington and [redacted] have complete responsibility for managing the development, test and launch of their payloads. The black funding for these black payloads comes to them from the Secretary's office. Other white funds for boosters, etc. come through SSD, but are so designated that they can be identified as [redacted] funds.

10. In conclusion, I would like to mention the very cordial relationship which [redacted] and I have experienced on [redacted] Staff. We have received excellent cooperation, have attended all his daily staff meetings and have constant access to his office and to his Deputy's office. We have worked extensively with all his Program Directors without any problems. [redacted] and [redacted] are extremely capable people, as are most of his Staff. It has been said that [redacted] has gathered on his Staff the best Air Force talent available in the reconnaissance and optics business. [redacted] is a very easy-going, informal person with a strong understandable dedication to the military. He is a "West Pointer" and well-known in the field of reconnaissance and mathematics. He has certainly treated [redacted] and me with every consideration. I firmly believe that whatever action is undertaken by [redacted] or his Staff will, in their opinion, be in the best interests of the Air Force and the Country. They feel they have the necessary capability, facilities and talent to manage, and certainly to technically direct, the satellite program. Their actions are consistent with military philosophy which is essentially to exercise complete management control when assigned the responsibility for a particular program.

11. Finally, there is need for very early action by the Agency to reverse the direction of technical and management control noted in the foregoing paragraphs. I firmly believe that within a matter of one or two weeks the transfer of control of the program to the Air Force will be irreversible. I can see no purpose in the Agency having a Contracting Officer on [REDACTED] Staff if this takes place.

[REDACTED]