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PROGRESS IN THE IMPLEMENTATION
OF THE 11 AUGUST 1965
NATIONAL RECONNAISSANCE PROGRAM AGREEMENT

At the time of my meeting with the PFIAB in September, some concern was expressed by members of the Board regarding certain views that the National Reconnaissance Organization was unworkable under the terms set forth in the NRO Agreement of August 1965. Subsequent events have led me to the conclusion that this concern was unfounded. I base this conclusion primarily upon the overall spirit which has been evident in the conduct of business between the participating parties in the NRP. To begin with, meetings of the Executive Committee have been held in a constructive atmosphere with an obvious intent of the members and their advisors to make the NRO agreement work. The Executive Committee deliberated upon and reached decisions with respect to the NRO budget for Fiscal Year 1967. While this budget did not conform in all respects to what CIA thought it should have been, decisions were reached after due consideration of the CIA position.

It should be pointed out that the Executive Committee has met but three times since the formalization of the new NRO agreement. I recognize that meetings have been held up pending the receipt of proposals from the DNRO on several long-reaching programs to be undertaken by the NRP. I hope that the Executive Committee will meet more frequently in the future.

The DNRO has recently appeared twice before the United States Intelligence Board. At each session there was a healthy discussion of the matters which he presented to the Board for consideration. The DNRO demonstrated clearly that he had a keen desire to work closely with USIB in order to make the NRP respond as fully as possible to the requirements of the Intelligence Community as formulated by USIB. The

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Chairman of COMOR has reported to me that a close working relationship has developed between his committee and the members of the NRO Staff. In my opinion there is every indication that a continuing dialogue between the Intelligence Community and the NRO will ensue.

In October 1965 I established within CIA the position of Director of Reconnaissance and I appointed Huntington D. Sheldon to that post. I have directed the Director of Reconnaissance to keep in the closest touch with the Director and Deputy Director of the NRO and to serve as the Agency's focal point in liaison with the NRO. He is to be responsible for formulating, with appropriate coordination, the CIA views and position on all matters relating to the NRO. Mr. Sheldon has reported to me that his dealings thus far with the DNRO have been carried out in a constructive and cooperative atmosphere. Likewise he informs me that the line components of the Agency engaged in the NRP have been carrying on routine business with the NRO Staff with a degree of mutual confidence heretofore considered impossible.

I do not wish to leave with you the impression that the NRO skies are completely cloudless. There is still a legacy of distrust and suspicion which cannot be completely dispelled in the short time span since the inception of the new agreement. I can, however, report my firm conviction that the present parties to the agreement are making a sincere effort to make it work. I can say this with regard to CIA's participation without equivocation. Certain pending decisions of great importance to the future of the NRP will soon put the efficacy of the new agreement to a severe test. These decisions relate to the new search and surveillance system, a new synchronous satellite for collection of SIGINT, and to a lesser degree to the CORONA improvement program. These will be hard decisions. I believe, nevertheless, that a climate now exists within the NRO which greatly enhances the prospect that the decisions will be made in the national interest.

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In the field of operations for which CIA has full or partial responsibility within the NRP I would like to call the following developments to your attention:

On 1 December, the OXCART vehicle was determined to have achieved an operational capability and this fact was reported to the 303 Committee. The 303 Committee, in turn, directed that OXCART achieve a maximum readiness for deployment. The decision for actual deployment will be made by the 303 Committee in the near future. In late December one OXCART vehicle was lost when it crashed after going out of control on takeoff. The pilot escaped injury. The cause of the accident was determined beyond question to have been due to human error in aircraft maintenance and not to any design or engineering deficiency. The loss of the aircraft, therefore, will not affect the overall operational capability of OXCART.

On 30 December, the Secretary of Defense ordered a stand down on all U-2 flights over South China to eliminate possible conflict with efforts to enter into peace negotiations in Vietnam. This stand down is still in effect. In early January, in response to a request from the Deputy Secretary of Defense, I agreed to transfer two CIA U-2's to the Strategic Air Command for use in aerial reconnaissance missions in Vietnam. These two planes, together with the necessary maintenance personnel, will be transferred from Edwards Air Force Base to Vietnam within the next few weeks.

In mid-December a SIGINT reconnaissance mission over South China was undertaken in line with the GROSBEAK program. This was the first such flight since June of 1964. The results of this mission are still being evaluated.

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The CORONA KH-4 photographic missions have been carried out in conformance with the agreed upon schedule. The CORONA vehicle has demonstrated a high degree of reliability and is still the workhorse in the field of satellite photography.

CIA has encountered no significant difficulties either with the DNRO or with other participating agencies in the conduct of its operations within the NRP since the implementation of the new NRO agreement in August. I should point out, however, that if serious friction does arise in the NRO it is most likely to appear in developmental areas rather than in operational programs.

One final point concerns the NRO Staff. Conversations have been under way between the Director of Reconnaissance, CIA and the Director of the NRO Staff with regard to its functions and future composition; however, no concrete progress can yet be reported toward achieving the objective of establishing the NRO Staff as a truly national entity.

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