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NRO Coverp July-Dec 1975

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~~(S)~~ NATIONAL RECONNAISSANCE OFFICE
WASHINGTON, D.C.



OFFICE OF THE DIRECTOR

26 November 1975

MEMORANDUM FOR MR. LATIMER, OSD

SUBJECT: Organization and Management of the NRO

The attached paper has been prepared in response to your tasking. We believe that the NRO structure has served its purpose well. It has provided a centralized management framework for DOD and CIA participation in developing reconnaissance satellites in a streamlined management environment. The task at hand should be to recognize the present efficiencies and attempt to retain them while assuring that the DOD realizes maximum benefit from the information obtained by the satellites during crises periods.

Chas W. Cook
J. W. Plummer *for*

1 Attachment
Organization and
Management Paper
(BYE-13431-75)

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ORGANIZATION AND MANAGEMENT
OF THE
SATELLITE RECONNAISSANCE PROGRAM

HISTORY

Early in the 1950s it became apparent that the U.S. would experience increasing difficulty in mounting classical intelligence collection operations against the Soviet Union. The development of a Soviet nuclear capability significantly increased the urgency of the requirement for information concerning Soviet strategic forces. It was decided that overhead reconnaissance represented a feasible means of obtaining the essential strategic intelligence information.

Therefore, on 4 August 1955, after months of negotiations, the CIA and the USAF agreed to jointly sponsor and conduct the U-2 developmental and operational program. It was recognized that although the U-2 was initially highly survivable, the Soviets would eventually be capable of interdicting U-2 and other airborne overflight missions, thereby denying us the primary source of strategic intelligence.

Faced with the eventuality of losing our airborne reconnaissance capabilities, the USAF began the overt development of a reconnaissance satellite system in September 1956. This development became the SAMOS program.

As development activity on satellite reconnaissance systems progressed, it became apparent that openly operating a satellite espionage system would be inconsistent with the stated U.S. "space for peace" policy. In recognition of the potential international sensitivity to reconnaissance operations, satellite vehicles notwithstanding, the USAF and the CIA were made joint sponsors of a covert satellite reconnaissance program. Thus began the CORONA program under the cover of the DISCOVERER research project.

The incentive for development of an alternative reconnaissance capability heightened when on 1 May 1960 Gary Powers' U-2 was shot down on a mission targeted against Plesetsk. The President's decision to terminate overflights of the Soviet Union following the Powers incident essentially shrouded the Soviet Union until 19 August 1960 when the first intelligence photography was returned from space. Although the mission lasted only one day and returned comparatively poor quality imagery

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(about 35 feet ground resolution versus the 2-3 feet for the U-2), a capability was demonstrated.

An NSC meeting had been scheduled for 25 August 1960 to review the management of the SAMOS program. The photography from the first successful CORONA satellite mission lent substantial evidence to the potential of satellite reconnaissance systems. The President directed the Air Force to reorient the SAMOS project along lines similar to the CORONA project, and to institute special streamlined management procedures.

A week later the Secretary of the Air Force delegated the management authority for satellite reconnaissance to the Under Secretary of the Air Force. It became increasingly apparent, however, that the importance of satellite reconnaissance products dictated that the collection program be conducted at a national level.

In September 1961, the Secretary of Defense and the Director of Central Intelligence signed an agreement establishing the National Reconnaissance Program. The agreement established the Under Secretary of the Air Force and the Deputy Director (Plans), CIA, as co-directors of the NRO. While this agreement laid the groundwork for succeeding NRP agreements, the NSC 5412/2 Group (now the 40 Committee) recommended against the co-directorship concept and in essence the agreement never operated.

On 2 May 1962, a second agreement was signed which established a single Director of the NRO and developed specific responsibilities and relationships governing requirements, project assignments, resources, and security.

On 6 July 1962, the NSC 5412/2 Group and the President's Foreign Intelligence Advisory Board non-concurred in the May 1962 Agreement and directed the development of a more definitive "permanent documentary basis for the National Reconnaissance Office."

On 13 March 1963, a third agreement was signed by the Deputy Secretary of Defense and the DCI. This agreement very clearly established the authority and responsibilities of the DNRO. While this agreement was more specific than the two previous attempts and was concurred in by the PFIAB, the agreement was considered unworkable by the CIA. During this period and until 1965, CIA and DOD relationships were at a very low ebb. Finally, in May 1964, following an intensive study, the PFIAB sent a memorandum to the President recommending that he approve a directive establishing a framework for the National Reconnaissance

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Office. In response to the President's direction in 1964, the current "DOD/CIA Agreement for Reorganization of the NRP" was signed on 11 August 1965. This agreement, which currently charters the NRP is directly responsive to the concerns expressed by the PFIAB in 1964.

The Agreement recognized the need for a single, national program to meet the intelligence needs of the U.S. Government (as opposed to DOD needs only). The Agreement established the NRO as a separate agency of the DOD. The Secretary of Defense was designated as the executive agent for the NRP.

The Agreement also recognized the varied roles of the Director of Central Intelligence as senior U.S. intelligence advisor, co-sponsor of the NRP and the Chairman of the USIB. The statutory responsibility for protecting intelligence sources and methods and Presidentially-directed responsibility for protecting satellite reconnaissance activities were noted.

Of particular significance in this Agreement was the establishment of an NRP Executive Committee very similar in composition to that recommended by the PFIAB in 1964. In essence, the ExCom would act as a board of directors for the NRP. It was composed of the Deputy Secretary of Defense and the DCI as co-sponsors of the program, while the President's Science Advisor represented the White House.

In practice, the ExCom acts for the Secretary of Defense to review the NRP and provide guidance to the DNRO on the conduct and execution of the NRP. The existence of the ExCom and its composition were directed by the President in 1964 to replace the system of DOD and CIA NRP monitors which was chartered in the 1962 and 1963 agreements. The individual agency monitor concept interfered with the direct chain of command envisioned for the NRP.

The President's Intelligence Reorganization Directive of November 1971 caused the DCI to become Chairman of the NRP ExCom in early 1973. The Assistant Secretary of Defense for Intelligence was then named to represent the Secretary of Defense on the ExCom. At about the same time, the President's Science Advisor's Office was abolished and therefore the Executive Committee has been a two-man board in recent years. In 1974, President Nixon requested the PFIAB to examine the structure of the NRO to determine an appropriate configuration for addressing the tactical support problem. Because of intervening events, such as Watergate and the present intelligence investigations, the PFIAB has never concluded its study. The NRO has in draft an updated charter

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which reflects several changes in the management structure such as the two-man ExCom, the enhanced role of NSA in the development of SIGINT reconnaissance satellites, and the removal of aircraft reconnaissance from the NRP. Program D, the aircraft program, was disbanded as of October 1974.

PRESENT SITUATION

There are several current factors at issue which affect the organization and management of the NRP.

The Tactical Support Problem. The President has placed the responsibility for providing national asset support to the military field commanders in the hands of the DCI. However, the intelligence community structure has not met this problem head on. There is a great deal of ambiguity relating to the definitions and the actual satisfaction of local commander requirements by the traditional nationally oriented reconnaissance satellites. There is a great desire, on the part of the Joint Chiefs of Staff and the DIA for example, to control the National Reconnaissance Program assets in the time of war. The current community structure makes this a difficult problem in terms of assuring that Defense priorities prevail in the time of war or crises.

CIA Involvement in the NRP. A significant characteristic of the NRP is the marked difference between the two major program offices of the NRP--CIA Reconnaissance Programs under the DDS&T and the Air Force Special Projects Office under a General officer. The CIA Program Office is very close to the intelligence community and has an excellent understanding of intelligence priorities and requirements. The CIA, while it recognizes the ultimate authority of the DNRO with regard to management of the NRP and his resource control, has tended to operate its programs nearly independently. The DCI and the DDS&T are continually involved in intelligence matters at every level of Government and with many agencies. Thus, the collection projects for which the CIA is responsible may receive attention in many discussions outside the NRO and beyond ExCom. This influence tends to restrict the options for the program decisions open to the DNRO.

Conversely, the Air Force Program Office is solely responsive to DNRO direction, since it reports in a direct line to the DNRO. This office is by geographic location (Los Angeles) and composition, however, removed from the intelligence

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community and must look to the NRO Staff to interface with the appropriate USIB committees and the rest of the intelligence community.

The Senate Select Committee on Intelligence, among others, has raised a specific issue with regard to the CIA level of effort in the program management of reconnaissance satellites. Part of the discussion is focused on the nature of the DDS&T, his involvement in the total community and his unique position in influencing the requirements, the concept formulation, the acquisition, the operation and the evaluation of the satellites. There have been discussions which indicate that perhaps the role of the DDS&T in reconnaissance satellite activities should be diminished.

Resource Availability and Control. Traditionally, since 1965, the Executive Committee has established a level of effort for the NRP which has then been reviewed by the Senate and House Armed Services and Appropriations Committees. The level of effort has then been forwarded to the Congress within the President's budget but has not been subject to direct competition with other Defense priorities because of its prior special treatment and special nature. Recently, however, the process has been made more normal because of actions on the part of the Defense Department and the Congress. During the FY 76 budget approval process, elements of the NRP budget were placed in direct competition with other high priority Defense items. There is also an issue as to the location of the NRP budget, that is, whether or not it should be separated from the Defense budget and sponsored by the DCI as a part of a National Foreign Intelligence Program which would be appropriated to the DCI.

Retention of Streamlined Management. The NRO differs from an intelligence community element in the sense that the NRO is a management entity which furnishes the raw data product to the community for its use. The main rationale for having an NRO is to afford a central, streamlined management agency for the development and acquisition of reconnaissance satellites. The current NRP still retains most of the elements of streamlined management which were established at its initiation. The present structure permits streamlined management because of the small number of people involved and the use of special security as a management tool. The issue is how to restructure the NRP without sacrificing the management efficiencies which exist today. Any new charter for the NRO should contain sufficient safeguards and prerogatives to afford the continuation of the special management procedure. Otherwise, there would be a

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requirement for greater numbers of people and an increase in the appropriation needed for satellite development and acquisition.

CRITERIA.

With regard to the paragraph immediately above, there are several essential ingredients which should be imbedded in an NRO management organization structure. These are:

Single Responsibility. An NRO should have single governmental responsibility for reconnaissance and surveillance 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 not be a direct part of the requirements mechanism and the tasking authority. It should interface in the mechanism; however, for coordination and feedback purposes, there should be a single focal point to provide requirements for the NRO to satisfy.

Fenced Budget. An NRP should be established at the Executive level based on defined 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 have 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, a special review cycle should be used instead of the normal governmental review process, so that the normal bureaucracy does not impede the program's special 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

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through on-orbit operation and ultimate failure. Special reporting procedures should be incorporated in the contract mechanism.

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 multi-agency manned to provide balance between the Services and the intelligence agencies. Emphasis should be focused on maintaining a streamlined SPO concept.

Self Policing. An NRO should be responsible 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 centrally controlled security system should be maintained in order to afford minimum program visibility to those outside the resource and user areas. A stringent access philosophy for the program to protect the sensitive technology, assets and operations which are inherently difficult to protect is required for extended periods of time.

ORGANIZATION RATIONALE.

The present NRO structure has worked well over time. The issues which led to the formulation of the combined DOD/CIA structure existed much in the same form then as they do today. Should a major change occur to the structure at the expense of meeting the criteria listed above which are essentially in effect today, great care must be taken so as not to void the efficiencies which have existed through the NRO since its inception.

Placement. The NRO should be a part of the National Foreign Intelligence Program, but should be responsive as well to the direct influence of the Secretary of Defense. At the national level, the NRP should be designated as a part of the National Foreign Intelligence Program and should be subject to the level of effort provided by a national ExCom which, as well, governs all elements of the National Foreign Intelligence Program. Once the budget level of effort is assigned, the Secretary of Defense should serve as the senior executive to assure that the management and execution of the NRP is in accordance with the budget assigned and that the various requirements are being satisfied. This overall concept is diagrammed on Chart 1.

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Relationships. In relation to the above, the requirements input to the NRO should be much in the same fashion as existing today, that is, through a single requirements apparatus such as the USIB and its committee structure. An assumption is made that the national committee apparatus will account for those needs as stated by the Defense representative which serve the field commander. The NRO would be responsible for taking the USIB-generated requirements and translating these requirements into technical and cost options for the development and acquisition of reconnaissance satellites. The day-to-day operation of the reconnaissance satellites would follow a similar arrangement, working through a requirements and mission guidance subcommittee apparatus, such as is known today with the Imagery Collection Requirements Subcommittee and the SIGINT Overhead Reconnaissance Subcommittee.

Management and Organization Structure. The NRO, as mentioned above, would be placed within the Secretary of Defense organization as a separate operating agency. It would be responsive to a high level chain of command for its execution, and concentration would be placed on the maintenance of a streamlined decision process. Conceptually, the program elements which exist today would be merged into a single program structure. The NRO would continue to be a centralized management entity drawing upon the best talent existing within the community and industry.

The Director of the NRO would be a statutory, non-career, appointee. He would be charged with the overall policy direction of the National Reconnaissance Program. The Program would encompass all earth-looking reconnaissance and surveillance-like sensor systems. Project managers of the various system efforts would report to the Director. Incorporated within the structure would be direct liaison with the military departments, and necessary comptroller and staff support for services of common concern to the project managers.

Projects would be grouped in terms of their generic nature to afford a streamlined management within the project structure. The project managers could be senior civilians or military officers selected by the Director.

Limited access security would be incorporated in the management and contractor structures to afford the maintenance of compartmented security of the projects and advanced technology, subject to security policy guidelines established under DCI statutory authority. Intelligence products, when turned over

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to the community, would be secured at the level judged appropriate by the community. The NRO structure itself would not be covert but would be classified sufficiently to obscure the specific details about the reconnaissance systems and their modus operandi.

The NRO would be staffed by a mix of CIA, NSA, other agencies and military assignees drawn from their parent organizations. Assignments should be reasonably stable. The total membership of the NRO would be maintained at a bare minimum consistent with streamlined management. The NRO would be located in the Washington area but would draw upon organic military service support, such as with the Satellite Control Facility, as it enjoys today. The NRO would have a sole responsibility for the development, acquisition, and operation of reconnaissance and surveillance satellites as a service of common concern to the intelligence community and the military services. The majority of those individuals assigned to the NRO would be technically oriented people not necessarily affiliated with the intelligence career field.

Program and Budget. The Comptroller, working with the project managers, would be responsible for program budget matters. The program budget would be incorporated in the National Foreign Intelligence Program along side the budgets of CIA and NSA in relation to the organic Defense Department intelligence budget. The NRP would be presented to the Congress separately from the Defense budget; however, the Secretary of Defense in coordination with the DGI would retain the prerogative to adjust budgets within the NFIP and the overall Defense requirements. Congressional defense of the budget would be the responsibility of the Director and he would be required to justify those programs authorized by the Executive Committee. The programs would not be subject to routine Defense Department review but the Secretary of Defense would be afforded appropriate visibility into the execution of the program.

Contracts and Acquisition. Each project manager would be responsible for the obtaining of hardware through a special contracting apparatus which allows beginning-to-end contracting in the same fashion as it exists today. Procurement activities would be handled in both the open and the covert manner in order to afford necessary security to the acquisition process. Contract reporting and auditing would follow similar procedures as well so that the Program Director can maintain sufficient visibility into the effectiveness of the program management. Provisions to grant certain waivers to procurement instructions would be authorized. A dedicated contracting function would be maintained to facilitate all contracting.

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Operations. Each project manager would be responsible for ground station management. Tasking of the photo satellites and SIGINT satellites would be in accordance with a central direction, emanating from focal points consisting primarily of NSA for SIGINT satellites and CIA and DIA for photo satellites. Each project manager would be responsible for the launching of the reconnaissance satellites and assuring that the product turn-over is in accord with the needs and desires of the community.

The rationale outlined above would afford a centralized streamlined management, assuming that there are proper security safeguards. It also affords the drawing in to the NRO those elements of the intelligence community and Defense establishment which are most interested and most expert in reconnaissance satellite development, acquisition, and operation without vested organizational interest. The environment of the organization permits the resources to be levied at a high national level and affords the DOD sufficient day-to-day management oversight within the national context. The internal NRO organization would be organized to continue a small level of manning and reinforce the streamlined decision making capability. With its civilian direction, proper checks and balances should be able to be realized so that the NRO provides a service of common need to the intelligence community.

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NRP ENVIRONMENT

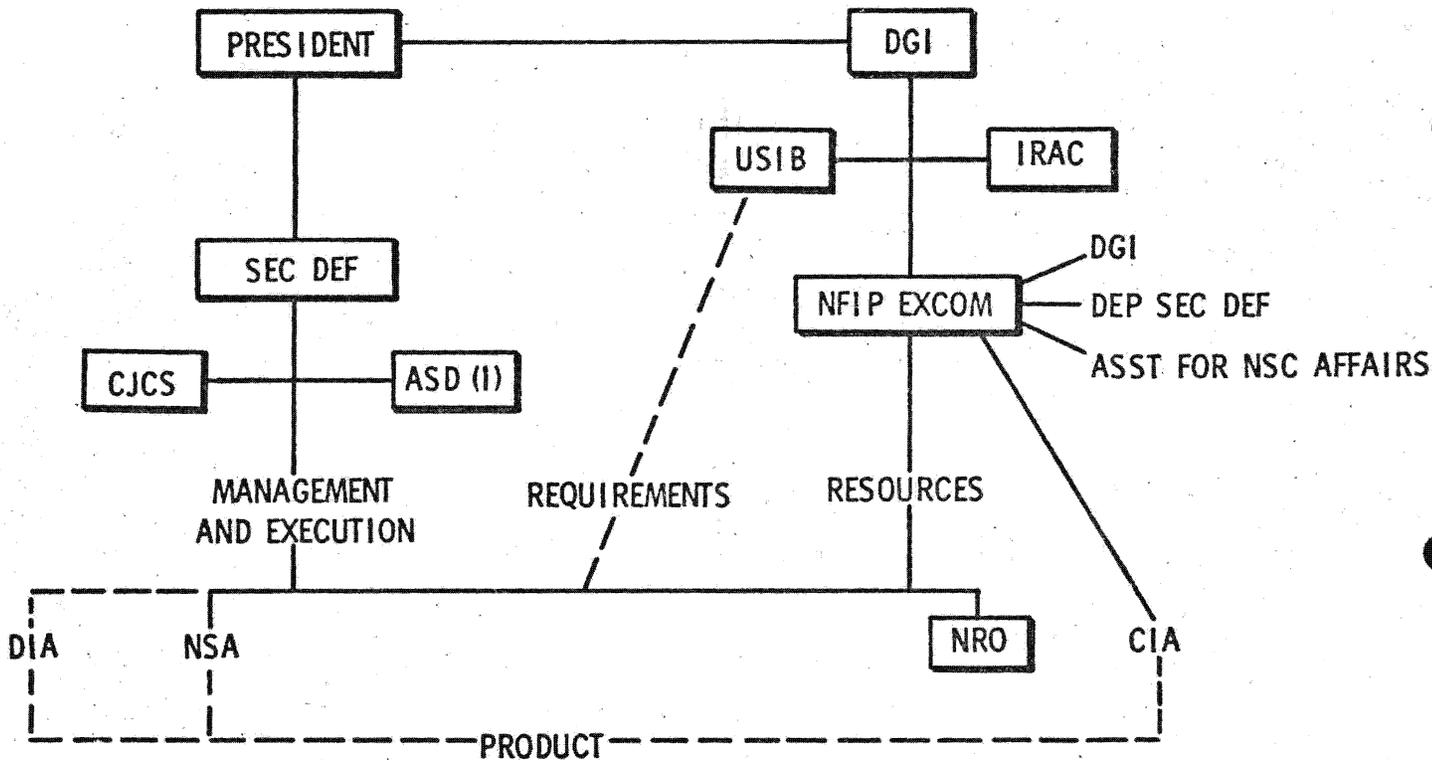


CHART 1