



~~TOP SECRET~~ INTERNAL

14 July 1969

Comptroller Comments on "Tentative Report on Defense Intelligence"

The following comments are primarily addressed to the NRP involvement:

1. Page 3, Objective 1, opening paragraph. The NRP has what we believe to be an adequate review and decision-making process, we have five year programs, and we certainly focus attention on decisive points in the program, with the needed guidance and direction from the Ex Com. However, we have a number of meaningful innovations and dynamic conditions which should be considered before a decision is made to fit us into a common framework with other Intelligence interests. For example:

a. The field submissions for the financial programs are submitted in May annually, which is one to two months behind all others, but allow us to get the latest and best data from the field, and we are geared to respond quickly with detailed examinations, to then issue detailed initial approvals. These are "zero base" reviews (i.e., just because any item appeared in the President's Budget, it is not considered as an automatic approval for the financial program).

b. The field submissions for the budget estimates are submitted in May ordinarily, and are factors in considering the financial program, but the DNRO detailed budget review is not initiated until the initial financial program is established, and program options are selected (we consider many trade-off options in the process). There is then a continuing review until mid-September, including field exchanges up until one week before finalization. At this point, we are up to four months later with detailed estimates than many of the normal processes, but consider such estimates to be up to four months better. The DNRO budget review process does not stop at this point, but continues on until the November Ex Com meeting, and we are subject to detailed OSD and BOB reviews.

c. We ordinarily do not issue a call to the field for estimates for four years after the budget year until end-September (after the DNRO budget is established), and have these completed in time for the November Ex Com review. On these four year estimates, we are up to six months later than the "normal" programs, but with six months better data. These are then reflected in the January FYDP update.

d. We identify to the Ex Com, for both the August financial program review and the November budget review, and at various times during the year, specific issues on optional costs and efforts for decision. In the process, we not only identify major issues but also a number of others as means of improving the program, reducing the funding requirements, etc.

e. "Normalization" has a tendency to inhibit the recognition of dynamic conditions. For example, if we had submitted a PCR with back-up in May or June, as would be "normal," we would not have been able to recognize

~~TOP SECRET~~ INTERNAL

HANDLE VIA BYEM.
CONTROL SYSTEM ONLY

~~TOP SECRET~~ INTERNAL

the impacts of MOL termination, would have been undecided as to what to do about additional Corona buys and the Hexagon program, have had to make Follow-on choices which have been overtaken by events, not have been ready for a Readout System definition and subsequent effort program recommendation, not have been ready for "Unmanned" system options, have had a different Tagboard drone budget recommendation than is now the case, have had a different Satellite Control Facility program than now expected, etc. These have all been influenced by May, June and July considerations.

f. We are geared to rapid and reasoned choices on program and funding throughout the year, adapting to changes in requirements, which would be hamstrung by "normalization."

g. The proposed paragraph refers to "components of the DOD" and "DOD decision-makers," which applies to the CIP and CCP, but in our case CIA is a "full partner" in most of our decisions. In PY 1969, for instance, CIA is involved in 52% of our program accounts, and received 31% of our total funding.

The main points of the preceding are that (a) "normalization" with the CIP and CCP timing would eliminate our improvements in concurrency and produce worse program and cost estimates for consideration, (b) reduce our adaptability to dynamic conditions, and (c) could create many problems in relation to CIA involvement.

2. Page 4, second para. This starts "The focus of intelligence planning and programming activities tends to be in the near term period (one or two years ahead)." This is seldom the case in the NRP, particularly in planning and contracting for satellite systems. At any particular time, we must face initial or reorder lead times of up to four years, with deliveries until launch of up to six years. Accordingly, we must be prepared with meaningful guidance and decisions for programs six years in the future.

3. Page 4, Objective 2. This would need considerable clarification. For example, we have daily interchanges with CIA on information flow and policy, and frequent exchanges with White House personnel, Congress, BOB, NASA, etc.

4. Page 5, Objective 4. This could present a real problem for the NRP if standards were relaxed merely to improve intelligence flow. (Assume SAFSS will address this in more detail.)

5. Page 6, top para. This says that the Special Assistant would be responsible for all DOD intelligence management, with emphasis on resources. It is by no means clear as to how this could work in the case of the NRP, with the USIB, 303 Committee, PFIAB, PSAC and other involvements in the requirements formulation and technical advisory efforts, nor how it would relate to CIA heavy involvement. The Special Assistant's staff would quickly grow towards the alternative 3 manning to be able to handle the NRP interfaces alone.

HANDLE VIA BYEMAN
CONTROL SYSTEM ONLY

~~TOP SECRET~~

INTERNAL

HANDLE VIA BYEMAN
CONTROL SYSTEM ONLY

~~TOP SECRET~~ INTERNAL

6. Page 8, bottom para. The statement is made "Formulating major issues has never been attempted successfully in the DOD intelligence community." In the case of the NRP, major issues have been formulated on the Oxcart, U-2 and SR-71 aircraft, and all new or significantly changed satellite systems. There are major issues on at least 5 satellite systems at the moment.

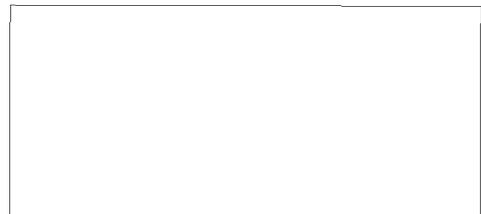
7. Page 13, second para. The Executive Council, in supposedly an advisory role, would supersede the Ex Com, which has operated in a decision role for the NRP, which appears to be a step backward. The inclusion of the Chairman of the Joint Chiefs of Staff would create complications, as many Joint Staff personnel would probably be assigned to keep up with the programs to advise the Chairman. The inclusion of the DDR&E raises questions on his normal responsibilities vis a vis the Special Assistant's.

General:

1. In the case of the NRP, the replacement of a "National" decision-making structure, which has been working, with an "advisory" structure, with many questions as to whether it could effectively work, needs much more consideration before implementation.

2. As I see it, the Special Assistant is the best choice, with a staff of about 14, and these should be fairly knowledgeable on NRP programs, technology, and requirements coverage, to help insure that there are not unnecessary duplications in the CIP and CCP; that certain intelligence programs might be given to or taken away from us, because we or others can do it best; and to conduct over-all intelligence assessments. However, we should continue with a decision-making Ex Com, and proceed as we have been.

3. If this "Tentative Report" were implemented, one of the first areas open to re-examination would be the DOD-CIA agreements on the NRP. There would be many other problems to be examined.



HANDLE VIA BYEMAN
CONTROL SYSTEM ONLY

~~TOP SECRET~~ INTERNAL