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MEMORANDUM

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October 14, 1983

MEMORANDUM FOR THE PFIAB

SUBJECT: Memo of Transmittal

Attached is per your request.

(b)(3)

Chuck Gyauch

CHARLES P. GYAUCH
Colonel, USAF
Deputy for Policy
and Security

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BDNRØ Memo, -July 21, 1983
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SS-5 (Col Gyauch)

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

OFFICE OF THE DEPUTY DIRECTOR

July 21, 1983

MEMORANDUM FOR DIRECTOR, INTELLIGENCE COMMUNITY STAFF

SUBJECT: Evolution of the National Reconnaissance Office Management
Structure

The National Reconnaissance Program (NRP) is a most unusual program--unlike any other. Formally recognized by the President, it operates under a charter established by a Memorandum of Agreement between the DOD and CIA. Since its inception it has been attacked because it crosses traditional lines of authority and has a great deal more flexibility in its program, budget, and operational responsibility. Nevertheless, it has grown to be the single most important intelligence collection program of the United States Government. Its dual agency composition has been both a source of strength as well as a source of problems, but it has provided a method to consolidate a budget to meet space-based intelligence collection requirements. This paper addresses the management evolution of the NRP with emphasis on the Executive Committee (Ex Com) process that existed from 1964 until 1976.

The Pre-Ex Com Era

At the direction of the President on August 25, 1960, the National Security Council forwarded to the Secretary of Defense (SecDef) directions to apply streamlined management techniques to the satellite reconnaissance program. Within DOD, the SecDef directed the Secretary of the Air Force to assume direct responsibility for satellite reconnaissance, reporting directly to the Deputy Secretary of Defense (DepSecDef) for review and approval. The SecDef also designated the Office of Research and Engineering as the principal staff agency within DOD to assist the DepSecDef.

In September 1961 the SecDef designated the Under Secretary of the Air Force as his Assistant for Reconnaissance, acting as the Secretary's direct representative both within and outside the DOD. It was further directed that the Assistant for Reconnaissance be given any support he required from normal staff elements, although these staff elements were not to participate in program matters. This designation accompanied distribution of the first Memorandum of Agreement for the management of the NRP dated September 6, 1961, between the SecDef and the Director of Central Intelligence (DCI).

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The second NRP agreement was issued May 2, 1962. While the 1961 agreement prescribed a program jointly managed by co-equal DOD and DCI directors, the new document specified a single Director of the National Reconnaissance Office (DNRO) appointed by the SecDef with concurrence of the DCI and a deputy director responsive to the DNRO, selected by the DCI. In June of that year, the SecDef issued a directive which formally exempted the DNRO from all unsolicited assistance from OSD staff elements.

Establishment of the NRP Ex Com

In its report to the President in May 1964--which ultimately resulted in the 1965 Memorandum of Agreement between the DCI and the SecDef--the Presidential Foreign Intelligence Advisory Board (PFIAB) noted that the use of monitors by the SecDef and the DCI to review the NRP interfered with the direct chain of command between the DNRO and the SecDef. The major elements of the 1965 DOD/DCI Agreement, which resulted from the PFIAB recommendations, were as follows:

- a. The NRP is a single program, national in character, to meet the intelligence needs of the Government under a strong national leadership, for the development, management, control, and operation of all projects, both current and long range, for the collection of intelligence and of mapping and geodetic information obtained through denied area overflights.
- b. The NRP shall be responsive directly and solely to intelligence collection requirements and priorities established by the United States Intelligence Board.
- c. The SecDef will have executive responsibility for the conduct of the NRP. He will select the Director of the National Reconnaissance Program who will report to him and be responsive to his instructions.
- d. The National Reconnaissance Program Executive Committee consisting of the DepSecDef (sitting as Chairman), the DCI, and the Special Assistant to the President for Science and Technology was established to guide and participate in the formulation of the NRP through the DNRO. (The DNRO was to sit with the Ex Com but not be a voting member.) If the Executive Committee could not agree on an issue, the SecDef would be requested to sit with the Committee in discussing the issue and arriving at a decision. The initial Ex Com established in 1965 consisted of Mr. Cyrus Vance, Deputy Secretary of Defense, sitting as Chairman; Admiral William F. Raborn, DCI; and Dr. Donald F. Hornig, Special Assistant to the President for Science and Technology; and Dr. Alexander Flax, Director of the National Reconnaissance Program, sitting as a nonvoting member.

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The basic structure and function of the NRP Ex Com continued until 1972 essentially unchanged. In 1973 several changes occurred. First, the newly appointed DCI, Dr. Schlesinger, operating on a 1971 Presidential letter which established the DCI as the chairman of all intelligence committees, received clarification from the President that he was indeed to chair the NRP Ex Com. Additionally, the President's Special Assistant for Science and Technology position was abolished, thereby reducing the NRP Ex Com principals to two. When Dr. Schlesinger assumed the chairmanship of the NRP Ex Com, the DepSecDef, Mr. William P. Clements, Jr., elected to not participate as the DOD representative. Secretary Clements designated Dr. Albert C. Hall, Assistant Secretary of Defense (Intelligence) (ASD(I)), as the DOD representative. By mid-1973 Dr. Schlesinger had moved on to become SecDef and was replaced as DCI by Mr. William E. Colby. Mr. Colby retained Chairmanship of the NRP Ex Com with Dr. Hall representing DOD; this two-member NRP Ex Com continued through 1975.

At the beginning of 1976, with the appointment of Mr. George Bush as DCI, the NRP Ex Com was abolished, and the Committee on Foreign Intelligence (CFI) was established. The DCI, Mr. Bush, chaired the CFI, with membership comprised of Mr. Robert F. Ellsworth, ASD(I); and Mr. William G. Hyland, Deputy Assistant to the President for National Security Affairs. The CFI expanded its concerns and considered not only the NRP but all of the national foreign intelligence programs. The CFI continued to operate for the remainder of 1976 and through January 1977 at which time the Carter Administration abolished the CFI.

In February 1977 the new Administration established the Policy Review Committee (Intelligence) (PRC(I)). This Committee, with slightly expanded membership, also addressed all NFIP issues to include the NRP. Membership in the PRC(I) included the DCI as Chairman, the DepSecDef, the Deputy Assistant to the President for National Security Affairs, and the Under Secretary of State for Political Affairs.

By the end of 1977, three major milestones had occurred in the NFIP budget and program decision process: First, Executive Order 11905 was issued establishing the DCI with full and exclusive budget and program authority over all elements of the NFIP. Second, the Carter Administration's zero-based budgeting (ZBB) process was implemented. Third, largely as a result of focusing total budget authority with the DCI, the collegial multi-executive department decision process for the NRP came to an end. Therefore, the original NRP Ex Com process and its successive decision forms ended.

Personal Observations, by the Undersigned, on the Evolution of the NRP Ex Com Process

After several evolutionary approaches at organizing an effective overhead reconnaissance program, the 1964 PFIAB-structured charter for the NRP led to

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a very effective and efficient planning, programming, budgeting, decision, and program execution process. The key elements and strengths of this structure were as follows:

- a. It established a management structure patterned after industry with a board of directors (the Ex Com) and a chief executive officer and operating official (the DRNO) to execute the program.
- b. The board of directors, or the Ex Com, consisted of the DepSecDef representing not only the DOD requirements but also having the ability to commit adequate DOD resources to support the decisions of the Ex Com. The DCI represented the requirements and priorities for the national intelligence needs as a voting member. The third member represented the official position of the White House in the Ex Com process.
- c. Official staffing for the NRP Ex Com was performed by the DNRO's staff. By limiting staff involvement to the NRC Staff, the proliferation of staff activities and the pre-Ex Com decision process were constrained. However, each of the principals had a number of advisors present during the deliberations and decision process. The DepSecDef generally brought his Director of Research and Engineering as well as the DSD Comptroller for advice and counsel. The DCI had the principal members of the U. S. Foreign Intelligence Board present for the deliberations. The Assistant to the President for Science and Technology, representing the White House, had an Associate Director of OMB present so that OMB concerns could be expressed and understood during the decision process.
- d. On occasion and for major decisions, the Ex Com would call for the advice and recommendations of a subpanel of the PFIAB.

As can be seen from the structure of the decisionmaking process (the Ex Com), once programmatic decisions were made on the overhead reconnaissance program, they were generally approved through the executive and legislative process without major challenge. And once approved, the execution of the programs generally proceeded with very minor, if any, perturbations in terms of funding or technical challenges. However, it is important to point out that the NRP consisted of six to eight major programs, only one or two of which would be at issue at any given time. This enabled the principals to concentrate in sufficient detail on the issue and to be confident in their decision process. It is interesting to note that virtually all major decisions in the NRP subsequent to 1973 have eventually been made at a level comparable to the initial NRP Ex Com. The principal difference is that now the senior decisionmakers have lots of "help" to "support" their decision process. There have been numerous and voluminous studies conducted over the

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last two to five years and in some cases with dozens of "experts" readily available to support them or anyone else who has a question on their decision.

While the original Ex Com process is somewhat idealistic and did not always work as smoothly as I may have indicated, between 1965 and 1973 the most significant advances in both intelligence collection capability and space technology were made as a result of the Ex Com decision and execution process.

Erosion of Effectiveness of the NRP Ex Com

In 1973 when Dr. Schlesinger, as DCI, obtained Presidential concurrence to chair the NRP Ex Com, which resulted in the DepSecDef's electing not to participate, a major weakening of the Ex Com decision process occurred. The ASD(I) did not have the authority to commit the resources of the DOD to execute the program. From that point on, once the Ex Com arrived at a decision, it was a negotiating process with OMB and the OSD for an adequate funding level to support the program. Additionally, the loss of the White House representative in the Ex Com decision process was a major factor in diminishing the overall support of the Ex Com decisions.

In the 1973 to 1976 timeframe, the NRP Ex Com not only lost the DepSecDef as the principal spokesman for the program but also saw the emergence of two expanding and competing staff elements. Dr. Schlesinger and his principal deputy for the Community, General Allen, set out to significantly increase the size and role of the Intelligence Community Staff. Simultaneously, Dr. Hall continued a significant build-up in his ASD(I) staff within OSD. These two staffs became major, competing factors in the NRP Ex Com decision process. By 1976 the Intelligence Community (IC) Staff, working closely with OMB, had gained the upper hand in the internal bureaucratic struggle between the ASD(I) staff and the IC Staff.

By 1976 the IC Staff had undoubtedly gained the upper hand in the internal bureaucratic battle with OSD. When Mr. Bush assumed the position of DCI along with Admiral Murphy as his principal deputy for the Intelligence Community, the IC Staff convinced Mr. Bush to expand the role of the old NRP Ex Com to the entire NFIP. This accomplished two things in the eyes of the IC Staff. First, it transferred the prominent role in the GDIP and CCP decision process from the ASD(I) staff to the IC Staff and the DCI. Second, it enhanced their role in presenting the NRP issues to the CFI, in lieu of the NRO Staff, as a part of the overall CFI decision process.

In my view, the real effect on the NRP of expanding the NRP Ex Com decision process to the CFI process covering the entire Community was to make it

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virtually impossible for the CFI principals to take a personal involvement in the programming issues brought before them. The CFI principals, by sheer impact of volume, had to delegate the principal decisionmaking process and rely on staff recommendations for their vote at the CFI meetings. Therefore, the end result of changing the NRP Ex Com process was that rather than elevating the quality of the decision process it in fact pushed the streamlined NRP decision process down to the same level as the remainder of the Intelligence Community budget process.

By 1977, when Admiral Turner became DCI and brought with him the zero-based budgeting and the full and exclusive provisions of Executive Order 12036, virtually all vestiges of the original PFIAB-envisioned structure for the NRP had disappeared. Effectively, the DCI had become the chief executive officer, and the PRC(I) had become the board of directors. However, because of the thousands of programmatic decisions which had to be made in the total NFIP as opposed to a few in the NRP, the level of detail at which the board of directors reviewed the program was obviously superficial with respect to the NRP.

J. D. HILL

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