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DEPARTMENT OF THE AIR FORCE  
WASHINGTON

OFFICE OF THE UNDER SECRETARY

March 18, 1965

MEMORANDUM FOR THE DEPUTY SECRETARY OF DEFENSE

Attached hereto is a chronology of the dialog between General Greer's office (SAFSP) and ITEK concerning estimates of costs and schedules for a program to develop and fly their version of a general search system. Some further background facts should also be noted.

Competitive design studies were initiated with ITEK, Eastman, and Fairchild in August. All three contractors knew from the start that they were in competition. Eastman and ITEK knew that a fourth competing system was in design and test at ITEK, and knew that a full program plan was being laid out for that system.

Both Eastman and ITEK were told by me that, for the 2 February briefing to you and Mr. McCone, they should be prepared to answer questions about estimates of costs and schedules. They were both warned similarly by me prior to the 23-24 February meetings in Boston.

You will remember that we established a Steering Group advisory to me to monitor studies within the NRO in parallel with the contractors' design studies of new general search systems. The charter of that group, prepared in October, was sent by you to Mr. McCone on 19 November, and acknowledged by him on 3 December. This charter provides explicitly that a task force, under the guidance of the Steering Group, shall: "initiate the preparation of conceptual development plans for alternative search and/or surveillance systems. The plans should include a description of the operational concept, and estimated schedules and costs." (underlines added here)

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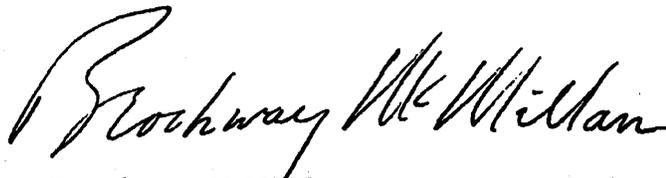
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It is of course our regular practice in examining any contender for development effort, to require an analysis of costs and schedules.

In sum, the actions which led to ITEK's submittal of program plans and estimates were a logical part of the comparative analyses initiated by your letter to Mr. McCone of 8 July. They were contemplated from the start and were under way by the end of January 1965. Similar actions took place with the other principal competitor, on about the same time scale.



Brockway McMillan  
Director  
National Reconnaissance Office

Attachment

cc - SecDef

CHRONOLOGY

March 18, 1965

- 12 Jan 65. Wash DC. After S-2 contractors review by Dr. McMillan, Capt Gorman asked [REDACTED] of ITEK to start working on a preliminary program schedule and ROM costs so we would have a better feel for this area. This same request was made to EKC. No ground rules were given.
- 2 Feb 65. At McCone/Vance briefings by ITEK and EKC, ITEK showed rough program to fly in one and one-half years. Production rate or costs were not shown.
- 8 Feb 65. Mr. Kelsey phoned ITEK about agenda for scheduled 10 Feb meeting. He advised that a program schedule would be one item to be discussed. He advised ITEK to use two-year development and one unit each three weeks for four years for planning purposes. Mr. Kelsey gave EKC this same information for their scheduled meeting.
- 10 Feb 65. At Boston, Mr. Kelsey chaired the meeting at ITEK. He confirmed the above development plan request and asked that a plan be presented at the then scheduled 23 Feb meeting in Los Angeles.
- 18 Feb 65. Mr. Kelsey postponed the 23 Feb Los Angeles meeting until 2 March.
- 23 Feb 65. At Boston. Both ITEK and EKC briefed the Land Committee. Both contractors showed a program schedule. Costs were not shown.
- 24 Feb 65. TWX sent to EKC officially requesting program plan and ROM costs. Program ground rules were included.
- 26 Feb 65. Capt Powell of SAFSP gave unclassified brief of the above ground rules to ITEK by phone.

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- 2 Mar 65. ITEK delivered program plan and brief ROM cost estimate of [REDACTED] to SAFSP based on 26 Feb telecon ground rules.
- 4 Mar 65. SAFSP letter sent to ITEK confirming 26 Feb telecon on program plan ground rules and supplying additional details.
- 15 Mar 65. ITEK mailed detailed ROM cost proposal for [REDACTED]. This revised the 2 March ROM cost proposal and was based on the latest ground rules of one and one-half years to first flight and one flight each four weeks.

*U. M.*