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27 January 1969

MEMORANDUM FOR THE RECORD

SUBJECT: OSP Program Review - FY 1971-1975

    1. This memorandum covers the guidance and instructions given by Mr. Duckett in the OSP Program Review.

    2. In the cover letter or perhaps the introduction to the Program, cover the wide disparity between Agency funds and NRO funds managed by OSP. (This should be covered as a general condition including OSA and OEL as well.)

    3. Even though the bulk of HEXAGON resources change from RD&E to Collection in FY 1971, some level of RD&E should be continued for HEXAGON in the FY 1971-1975 period. Product improvement in FY 1971 and later is covered in the HEXAGON entry under Collection.

    4. Include the specific assumption that there will be two additional CORONA launches in FY 1971.

    5. Start phasing in some resources for Electro-optical Imaging System into Collection in FY 1973.

    6. We ought to state our best estimate of how the EOI work will affect HEXAGON, _____ or any other reconnaissance system. It should be emphasized that EOI is a new and bigger system with more elements and more diverse kinds of work than any system proposed so far. In this respect make it clear that we need additional positions now in order to proceed with EOI work.

    7. In the text under Management Support, describe why the OSP Office Staff is under Collection. A good case can be made to put some positions in Collection and some in RD&E; however, according to Mr. McDonald, (and experience has proven him right) such a division would create additional administrative burden on OSP.

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8.   Specify the total impact of EOI on OSP.   Estimate the long-term cost of EOI and compare our resource needs vs. the total system cost.

9.   Mr. Crowley indicated that he would delete the one [   ] position in FY 1972 and thereafter.

10.   Note that EOI Technology is really advanced development, but in the NRO budget it is carried under the same line item as EOI System.

11.   NRO resource figures are the best estimates we have now for FY 1970, but they may be adjusted later.   This should be clear in the presentation.

12.   Mr. Duckett said that we should submit the NRO annex in NRO form and not according to the CIA program structure.   If we do this for OSP, we must also recast the OEL and OSA submissions.

13.   In the cover letter or introduction, it will be emphasized that any Office with NRO resources has the Agency support arbitrarily split into the CIA program structure.   This is not really the way NRO funds are used since NRO controls the distribution of funds into their specific use allocations.   For example, the NRO project orientation includes RD&E, Operation, Analysis, and possibly even Production Resources all under the same line item.

14.   Assume that even though we do not have a "go ahead" yet, EOI will proceed.   Identify how manpower will be applied vs. time.   The text under EOI, which has already been submitted, would seem to answer this requirement.   We will request a special review of EOI with OPPB at the earliest opportunity.   In this we should show the total program with total costs for the foreseeable life of the system.

15.   Assume that CIA will take a bigger part of NRO resources than ever before.   For example, we will have three major programs, HEXAGON, [   ] and EOI, under some measure of CIA control for several years.   There is at least a possibility that EOI could be solely managed by CIA.

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16. We should include the possibility and, in fact, the prediction that the advanced reconnaissance aircraft and EOI will probably not be approved for operation at the same time. However, we have no alternative but to go forward with both proposals recognizing that they are alternatives, one of which probably will be selected.

17. The role of reconnaissance programs in the CIA should be made clear to OPPB and to other levels above. We should brief OPPB probably in early March before the hearings start on the use of CIA manpower against reconnaissance programs and NRO expenditures from the beginning of Agency involvement in these programs.

Chief
Plans and Programs Branch

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