

OFFICE OF THE SECRETARY OF THE AIR FORCE
OFFICE OF SPECIAL PROJECTS

DATE: 8 Aug 75

MEMORANDUM FOR:

Upon my replacement of Gen Bradburn I felt it appropriate to reaffirm prior SP policies and provide the contractors with some of my personal views.

Attached is a copy of a letter which I have sent to all of our major contractors. I have also provided Les Dirks and Capt Darcy with complimentary copies for their information.

JOHN E. KULPA, JR.
Brigadier General

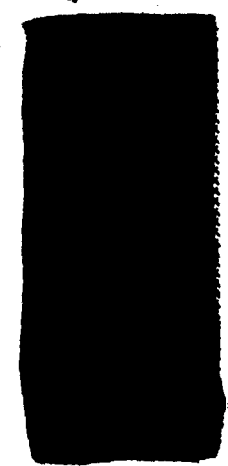
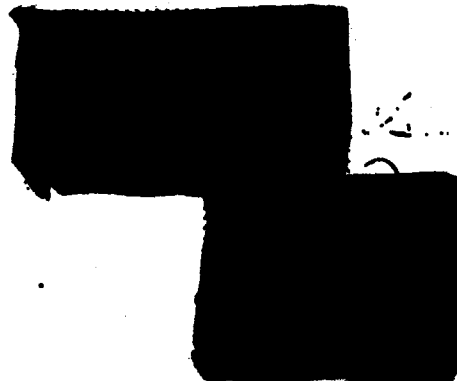
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WALTER J. LINDENBERG

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DEPARTMENT OF THE AIR FORCE
OFFICE OF SPECIAL PROJECTS (OSAF)
PO BOX 92960, WORLDWAY POSTAL CENTER
LOS ANGELES, CALIFORNIA 90009



8 August 1975

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Dear :

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I look forward to working closely with you and your people as I assume the job of Director of Special Projects, and take this opportunity to reaffirm the basic policies which govern our business relationships. We are each part of a team which must continue to work hard at developing the finest satellite intelligence collection systems that we can produce with the resources available to us.

The policies and procedures which have been developed over the years have worked very well, and we will continue to use them. Because of the very unique nature of our interfaces, I would like to highlight four areas that deserve special comment and emphasis at your level and mine -- contract management, security, marketing, and ethics.

With regards to contract management, the office of Special Projects has long placed emphasis on incentive contracts which give highest ranking to technical performance. We will continue to do so, at the same time insuring that maximum fee can be earned only by achieving our goal of truly superior technical performance. I believe we must work together toward this common goal without creating an adversary relationship; however, SAFSP will hold a strong line in negotiations to insure that prices are realistic, fair and reasonable to all parties and will work to assure that contracted performance is achieved. I plan to maximize competition on new program procurements and, when appropriate, existing program major modifications. I intend to do all I can to engender a sound, healthy, and highly competitive industrial base which in the ultimate analysis will certainly benefit the national satellite reconnaissance effort.

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The present environment of ever-increasing costs is having a significant adverse impact on Defense dollars, and our programs are in stiff competition for government funds. Maintenance of programs within target cost deserves extremely close management attention at all levels. We will look closely at the necessity for any proposed system changes, and we must jointly identify potential problems at the very earliest possible date and work vigorously to resolve them.

The second area, security, requires constant attention. Satellite intelligence collection systems are vital to the nation -- and extremely vulnerable. This vulnerability not only includes the threat of physical damage but extends into potential political countermeasures. The [redacted] system serves to prevent unfriendly nations from finding reasons to exert political pressures against our reconnaissance satellites, as well as protecting their true capabilities and the military and industrial base engaged in their development and operation. Adversary nations are known to be taking

[redacted]
satellites. We cannot afford to give them any advantage. The recent public revelations of various aspects of satellite reconnaissance have been unfortunate. However, we must continue not to comment on printed stores nor openly discuss this subject. We each need to reaffirm to all of our people that the policies and procedures of the [redacted] system must be followed in spite of greater public awareness; if, in the future, there are changes in security policy, they will be conveyed to you directly and quickly from me.

The third area is marketing. We encourage independent investigation and planning as a step toward introducing new and better products for the mutual benefit of the government and company. However, the conventional marketing approach has never been compatible with the protection needed for sensitive intelligence collection apparatus and operations and is not endorsed by SAFSP. You must continue to channel ideas regarding space reconnaissance systems to the appropriate [redacted]

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Finally, a word on ethics. Satellite reconnaissance is a legal endeavor, consistent with federal statutes. No one engaged in the program in any capacity, in government or industry, must ever be directed to perform an illegal act. The special security requirements of the program can be followed legally and by using good common sense. Because of the lower visibility afforded by our security we need to be particularly sensitized to our personal conduct. We must avoid not only true conflicts of interest, but also any appearance of a conflict of interest. I will not permit my people to accept any form of gratuities or special favors and I ask your full support to preclude possible embarrassing situations.

In this reaffirmation of policies I want to assure that our relationship works both ways and my door is open for discussion. Should you wish to do so, I encourage you to convey to me your ideas on these subjects or any others that are of mutual concern. Because these thoughts are generally applicable to everyone who works within the satellite reconnaissance program, I suggest that they be disseminated widely. Making them work requires strong management effort from both of us, and I look forward to a continued fine working relationship between our organizations.

Sincerely,

JOHN E. KULPA, JR.
Brigadier General, USAF
Director

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