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15 June 1964
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MEMORANDUM FOR: Deputy Director of Science and Technology
THROUGH: Executive Officer, Science and Technology
SUBJECT: Status of NRO Contract with for Research and Development on Printing and Processing Equipment (Contract)

1. In connection with our brief telephone conversation of 14 June on the subject of OSA contracting responsibility for Program A, I would like to call to your attention the status of the subject contract which we have been administering during Fiscal Year 1964 pursuant to directions from the DNRO.

2. You will recall that this was the contractual matter which became quite a flap in the closing days of Dr. Scoville's regime, when both Scoville and Dr. McMillan signed separate versions of the same contract with in an attempt, on Pete's part, to reserve to CIA relationships of this sort with . Subsequently this matter was adjusted and the final signature on the contract became an Air Force one, with the understanding that we would be responsible in the usual format for administration of the document and security surrounding it. was funded in the amount of for Fiscal Year 1964. our West Coast representative with advises that Program A has submitted a budget of to him for Fiscal Year 1965. This contract was set up as a level of effort arrangement with and there is an expiration date of 30 June 1964, although ground work in process should run beyond that date.

3. Given the current thrust of effort to capture for his own contracting staff the entire spectrum of CORONA contracts under the Program Management label, it is quite likely that they will make a play to acquire contract responsibilities for these dollars. As I observed to you, we already understand that has asked DNRO that all program funds for Fiscal Year 1965 be transferred to his administration for that

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Page 2

bid. Reading the controversial PFIAB report, I noted several references to the desire of that body to see the responsibility for the innovation of techniques in the processing, developing, printing and film fields fall squarely on CIA. With this proposal I have heard no counter argument from anyone. In anticipation that the final verdict will not differ too much from this premise, I recommend that a fight be made to retain administrative control of [REDACTED] since it represents a window into [REDACTED] programs that we can ill afford to be without. If you agree, I should like to instruct [REDACTED] through [REDACTED] to extend this contract beyond the expiration date as quietly as possible to see if anyone in Program A raises violent objections. Unless I hear from you to the contrary by the end of the week I will undertake this action.

[REDACTED]
Deputy Assistant Director
(Special Activities)

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