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JUN 20 1968

MEMORANDUM FOR COLONEL HARTLEY, DIRECTOR, PROGRAM D

SUBJECT: Initial Program Approvals, FY 1969

Initial approvals for program year 1969 for Tagboard, Senior Year, and Specialized Depot Support/Fuel Oil and Gasoline Support for satellite programs are furnished in the attachments. These reflect my determinations at this time, and are subject to reconsideration throughout the fiscal year.

The initial program approvals are on a gross obligation basis. To the extent that unobligated balances exist as of 30 June 1968, the NRO Comptroller will conduct an evaluation with your personnel, to ascertain appropriate amounts which can be logically applied against the program year 1969 gross approvals.

Also attached are copies of the initial approvals to CIA for U-2R Procurement and Idealist/Senior Year Common, in view of your direct interests.

Signed

ALEXANDER H. FLAX
Director

Attachments

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TAGBOARD Initial Approvals, FY 1969 (Thousand Dollars)

The FY 1969 initial approval is based on continuation of flight test as appropriate, to be followed by launches at the rate of 1 per quarter, operating from Area 51 until Beale construction is completed, then moving to Beale by an objective date of not later than November 1968. In the event this objective date is deemed unattainable as events develop, referral to the DNRO for decision will be required. No provision for overseas deployment is included in these initial approvals.

Drone Support:

Replenishment Spares and AGE	\$ 793
Overhaul, Repair and Engineering:	
Overhaul and Repair	1,208
Modification Kits	386 (a)
Engineering	1,260
Follow-on Flight Test	<u>0</u> (b)
Sub-total	2,854
Field Service Support:	
Operational Crews	67
Field Service	795
Base Support	<u>68</u> (c)
Sub-total	930
Miscellaneous Support:	
Burbank Support	<u>280</u>
Drone Support Sub-total	4,857

Camera Support:

Replenishment Spares and AGE	54
Overhaul, Repair and Engineering:	
Overhaul and Repair	35
Modification Kits	13
Engineering	<u>130</u>
Sub-total	178
Field Service Support	95
Miscellaneous - Windows	<u>24</u>
Camera Support Sub-total	351

Software and Film Support:

Software	121
Film	<u>29</u>
Software and Film Support Sub-total	150

TAGBOARD Total 5,358 (d)

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- (a) \$200K for Potential ECP's initially-allowed, in lieu of \$1,135K. If ECP's materialize beyond this amount, the NRO Comptroller is to be informed, for appropriate adjustment considerations.
- (b) This is considered to be a contingency item, and is initially-deferred. If follow-on flight tests materialize, reconsideration will be given.
- (c) Reduced to the "at Beale" basis.
- (d) Initial approvals defer the additive costs to operate at Beale, and additive "housekeeping" costs at Area 51 after 30 September, for later refinement and resolution.

The Director, Program D has authority to transfer funds within the underlined headings, but not between without DNRO advance approval. No new efforts, other than herein approved, may be initiated without DNRO advance approval.

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SENIOR YEAR Initial Approvals, FY 1969 (Thousand Dollars)

Starting with this FY 1969 initial approval, the SENIOR YEAR account will exclude support common to both Senior Year and Idealist, which is being established in a separate account. Accordingly, the categories "New Equipment," "Peculiar Support," and "Field Service Support" are addressed herein.

From the data submitted on FY 1967, 1968 and 1969 flying hours, it is believed that the FY 1969 forecast hours for both the U-2C and U-2R are optimistic. SAC forecast 60 hours per month per aircraft (U-2C and U-2R). The initial approval is based on 45 hours per month per U-2C and 50 hours per month per U-2R. This is not to be considered an inhibition on flying; if the hours materialize above the 45 and 50 rates, requests for approval adjustments will be considered. The AFSC forecast of 40 hours per month per aircraft is accepted for initial approval purposes.

	<u>Director D</u> <u>Recommendation</u>	<u>DNRO Initial</u> <u>Approval</u>
<u>New Equipment:</u>		
Systems 12, 20 and O/S		
Service Bulletin Kits	\$ 300	0
Optical Bar Camera Hatches	150	0
Optical Bar Camera Hatch Glass	90	0
Oscar Sierra/12C Warning		
System Antennas	56	0
Oscar Sierra EWS	125	0
System 13C ECM Test Cart	140	100
QRC-192 Installation on U-2R		
Aircraft	<u>80</u>	<u>80</u>
Sub-total, New Equipment	941	180

The first five items are costs associated with U-2C aircraft. Incurrence of these costs are not authorized at this time. The 13C test cart is approved, but the submitted costs are believed to be too high.

Senior Year Peculiar Support:

Airframe Support:

Spares and Service Bulletins	461	420
Time and Material	<u>1,806</u>	<u>1,601</u>
Sub-total	2,267	2,021

This account considers the lower flying hour basis. The Time and Materials approval is based on \$525K for Sustaining Engineering, \$76K for Fabrication of Spares, \$900K for Aircraft Mods (including AFSC), and \$100K for Flight Test.

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	<u>Director D Recommendation</u>	<u>DNRO Initial Approval</u>
<u>Camera Support:</u>		
Hycon:		
Spares	25	25
Time and Material	<u>25</u>	<u>25</u>
Sub-total	50	50
<u>Electronics Support:</u>		
AEL Time and Material	20	20
Collins Time and Material	30	30
EDL Spares	40	40
EDL Time and Material	60	60
Hallcrafters Spares	25	25
Hallcrafters Time and Material	50	40
HRB Singer Spares	50	50
HRB Singer Time and Material	25	25
ITTFL Spares	100	90
ITTFL Time and Material	170	150
Sanders Spares	75	75
Sanders Time and Material	40	40
TRW Spares	40	40
TRW Time and Material	<u>263</u>	<u>220</u>
Sub-total	988	905

Past experience is a consideration in these reductions.

Sub-total, Peculiar Support	3,305	2,976
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Field Service Support:

Lockheed	216	216
Hycon	90	90
Itek	105	70
TRW	120	120
ARC	50	50
David-Clark	<u>29</u>	<u>29</u>
Sub-total, Field Service Support	610	575

Itek is reduced, on the basis that tech reps for Delta III's and the timing of the Optical Bar availability should be accomplished with a lower average.

SENIOR YEAR TOTAL (Excluding Common)	4,856	3,731
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No new equipment procurements or major modifications, other than as approved by the preceding, may be initiated without DNRO advance approval.

No funding adjustments will be made into or out of this account without DNRO advance approval. The Director, Program D, has authority to adjust funding between approved line items within but not between the New Equipment, Senior Year Peculiar Support, and Field Service Support categories. Any

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effort not approved herein as a line item may not be initiated without DNRC advance approval.

For monthly fund status report purposes, it is desired that the breakdowns by line items be the same as reflected herein.

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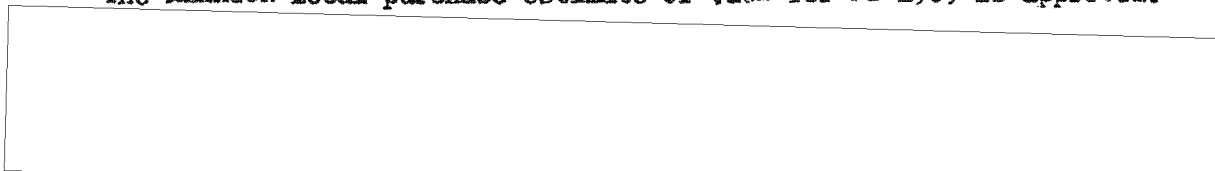
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Specialized Depot Support/Satellite Programs Initial Approvals, FY 1969
(Thousand Dollars)

Reference DNRO BYE-12920-68 dated 17 May 1968, CIA BYE-6465-68 dated 7 June 1968, and Director Program D BYE-12318-68 dated 13 June 1968.

The CORONA local purchase estimate of \$5K for FY 1969 is approved.

The HEXAGON local purchase estimate of \$10K for FY 1969 is approved.



An obligation authority for \$95K total will be issued to the specialized depot.

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Fuel Oil and Gasoline Support/Satellite Programs Initial Approvals, FY 1969
(Thousand Dollars)

The same references apply as for the Specialized Depot Support approvals.

The Fuel Oil and Gasoline estimate is initially approved at \$20K to cover essentially the first quarter of FY 1969, with periodic reassessments to be made against cost experience, and later approval increases as appropriate.



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U-2R PROCUREMENT Initial Approvals, FY 1969 (Thousand Dollars)

	<u>Agency Recommendation</u>	<u>DNRO Initial Approval</u>
Recorders and Playback Systems	\$ 310	0 (a)
Recorder Interface	140	0 (a)
Integrated EWS Display	112	112
System 20	<u>4,565</u>	<u>3,605</u> (b)
Total	5,127	3,717

(a) The Agency-recommended effort for System 60 under Countermasures R&D is being deferred from initial approval. These items relate to the 60 development effort, and are also initially-deferred.

(b) Sixteen (16) System 20's were recommended for procurement -- 7 for CIA, 7 for SAC and 2 for Depot/Factory turnaround. The initial approval is based on the procurement of twelve (12) System 20's, which are considered adequate, based on material furnished. The breakdown of the \$3,605K approval is:

12 Systems	\$2,220
4 FAK Spares	400
2 Support Kits	100
1 Pilot System	100
5 Sets AGE	150
Flight Test	120
Manuals	30
Training	55
Other	152
Profit	<u>278</u>
Total	3,605

The preceding DNRO initial approvals are on a full funding basis. No funding adjustments will be made into or out of this account, nor between the approved Integrated EWS Display and System 20 entries, nor to increase the number of System 20's without DNRO advance approval.

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This is a new account, starting with the FY 1969 initial approvals. Funding and contracting will be thru CIA, and requests for program and/or funding adjustments during the fiscal year will be submitted by CIA, with coordination by Director, Program D. While the Idealist and Senior Year distinctions will not apply as they have in the past, adequate support for both programs, consistent with DMRO approvals, is to continue.

As stated under the Idealist initial approvals, Agency flying hours are based on 1,261 for the U-2C's and 1,958 for the U-2R's. SAC flying hours are based on 45 hours per month per U-2C and 50 hours per month per U-2R, in lieu of a SAC recommended 60 hours per month per U-2C or U-2R. These reductions have been applied to the Common line items where appropriate.

The following tabulations for DMRO initial approvals vs. Idealist and Senior Year recommendations are merely to show the basis for each line item approval. Status of Funds reports and other records are to reflect only "total" figures.

	<u>Field Recommendations</u>			<u>DMRO Initial Approvals</u>		
	<u>Idealist</u>	<u>Senior Year</u>	<u>Total</u>	<u>Idealist</u>	<u>Senior Year</u>	<u>Total</u>
<u>Airframe Support:</u>						
Spares, Mod Kits	\$ 320	\$ 480	\$ 800	\$ 270	\$ 405	\$ 675
<u>Overhaul and Factory Engineering:</u>						
Engineering	350	525	875	350	525	875
Spares Fabrication	160	240	400	136	204	340
Weapon System						
Test Support	210	315	525	180	270	450
Overhaul and						
Repair	480	720	1,200	408	612	1,020
Material Handling	176	264	440	150	225	375
Security						
Investigations	30	30	60	30	30	60
Sub-total	1,406	2,094	3,500	1,254	1,866	3,120
Airframe Sub-total	1,726	2,574	4,300	1,524	2,271	3,795
<u>Camera Support:</u>						
<u>"B" & "H" (Hycon):</u>						
Spares, Mod Kits	96	134	230	76	114	190
O&F Engrg.	298	406	704	198	297	495
Sub-total	394	540	934	274	411	685
<u>Delta III and Optical Bar (Itek):</u>						
Spares, Mod Kits	25	25	50	25	25	50
O&F Engrg.	93	93	186	93	93	186
Sub-total	118	118	236	118	118	236

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	<u>Field Recommendations</u>			<u>DNRD Initial Approvals</u>		
	<u>Idealist</u>	<u>Senior Year</u>	<u>Total</u>	<u>Idealist</u>	<u>Senior Year</u>	<u>Total</u>
Tracker Cameras, Drift Sights (Perkin Elmer):						
Spares, Mod Kits	40	60	100	30	45	75
O&F Engrg.	<u>120</u>	<u>180</u>	<u>300</u>	<u>90</u>	<u>135</u>	<u>225</u>
Sub-total	160	240	400	120	180	300
Camera Sub-total	672	898	1,570	512	709	1,221

Airborne Electronics Support:

System 20 (Aerojet):						
Spares	50	50	100	50	50	100
O&F Engrg.	<u>75</u>	<u>75</u>	<u>150</u>	<u>50</u>	<u>50</u>	<u>100</u>
Sub-total	125	125	250	100	100	200
Systems 12C, 12ER and CSM-III Antennas (AEL):						
Spares, Mod Kits	38	38	76	38	38	76
O&F Engrg.	<u>25</u>	<u>25</u>	<u>50</u>	<u>25</u>	<u>25</u>	<u>50</u>
Sub-total	63	63	126	63	63	126
Sextant (Baird):						
Spares, Mod Kits	10	40	50	10	40	50
O&F Engrg.	<u>6</u>	<u>24</u>	<u>30</u>	<u>6</u>	<u>24</u>	<u>30</u>
Sub-total	16	64	80	16	64	80
Airborne Communications (Collins):						
Spares, Mod Kits	30	30	60	30	30	60
O&F Engrg.	<u>80</u>	<u>80</u>	<u>160</u>	<u>70</u>	<u>70</u>	<u>140</u>
Sub-total	110	110	220	100	100	200
Systems 12C, 12ER (Sylvania):						
Spares, Mod Kits	210	210	420	160	160	320
O&F Engrg.	<u>150</u>	<u>150</u>	<u>300</u>	<u>100</u>	<u>100</u>	<u>200</u>
Sub-total	360	360	720	260	260	520
Time Code Generator (Flow):						
Spares, Mod Kits	20	20	40	20	20	40
O&F Engrg.	<u>25</u>	<u>25</u>	<u>50</u>	<u>25</u>	<u>25</u>	<u>50</u>
Sub-total	45	45	90	45	45	90
OS MkIII, Birdwatcher, Sel Call (HRB Singer):						
Birdwatcher Improvement Mod						
(Agency & SAC)	150	0	150	150	0	150
Spares, Mod Kits	225	225	450	125	125	250
O&F Engrg.	<u>210</u>	<u>210</u>	<u>420</u>	<u>110</u>	<u>110</u>	<u>220</u>
Sub-total	585	435	1,020	385	235	620
TACAN (ITT):						
Spares, Mod Kits	40	40	80	40	40	80
O&F Engrg.	<u>50</u>	<u>50</u>	<u>100</u>	<u>40</u>	<u>40</u>	<u>80</u>
Sub-total	90	90	180	80	80	160
System 13C (Sanders):						
Spares Mod Kits	200	200	400	200	200	400
O&F Engrg.	<u>250</u>	<u>250</u>	<u>500</u>	<u>150</u>	<u>150</u>	<u>300</u>
Sub-total	450	450	900	350	350	700
Systems 6A, 6B (TRW):						
Spares, Mod Kits	225	225	450	165	165	330
O&F Engrg.	<u>240</u>	<u>240</u>	<u>480</u>	<u>210</u>	<u>210</u>	<u>420</u>
Sub-total	465	465	930	405	405	810

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	Field Recommendations			DNRO Initial Approvals		
	<u>Idealist</u>	<u>Senior Year</u>	<u>Total</u>	<u>Idealist</u>	<u>Senior Year</u>	<u>Total</u>
Airborne Electronics						
Sub-total	2,309	2,207	4,516	1,804	1,702	3,506
<u>Pilot-Related:</u>						
Pilots Personal Equipment (David Clark):						
Spares, Mod Kits	169	169	338	109	109	218
O&F Engrg.	<u>102</u>	<u>102</u>	<u>204</u>	<u>62</u>	<u>62</u>	<u>124</u>
Sub-total	271	271	542	171	171	342
Oxygen and Related Equipment (ARO):						
Spares, Mod Kits	130	130	260	80	80	160
O&F Engrg.	<u>108</u>	<u>108</u>	<u>216</u>	<u>62</u>	<u>62</u>	<u>124</u>
Sub-total	238	238	476	142	142	286
Pilot-Related						
Sub-total	<u>509</u>	<u>509</u>	<u>1,018</u>	<u>319</u>	<u>319</u>	<u>638</u>
COMMON TOTAL	5,216	6,188	11,404	4,159	5,001	9,160

No new equipment procurements or major modifications, other than as approved in the preceding may be initiated without DNRO advance approval.

No funding adjustments will be made into or out of this account without DNRO advance approval. The Director of CIA Reconnaissance Programs has authority to adjust funding between approved line items within but not between the underlined headings (Airframe Support, etc.). Any effort not approved herein as a line item may not be initiated without DNRO advance approval.

For monthly Status of Funds report purposes, it is desired that the breakdowns by line items ("Total" dollars only) be the same as reflected herein.

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