

**The Recon - September 23, 2003****UNCLASSIFIED.****(U) NRO weathers Hurricane Isabel with little damage**

(U) The NRO weathered Hurricane Isabel Sept. 18-19 with little damage.

(U) The NRO's Westfield's Headquarters only sustained minor fence damage and a few small water leaks from the winds and rain of Hurricane Isabel. The fence and leaks were quickly repaired and the complex resumed normal operations when employees arrived for work Monday morning.

(U) "I would like to thank the Security, NROC and Facilities teams which did their usual stellar job during the crisis," said Brian Malone, director of MS&O.

(U) Questions about the NRO's weather policy have arisen as a result of this weather emergency. First, following our value of 'integrity', each leader's concern is for the safety and welfare of NRO people.

(U) Unfortunately, confusion existed about the status of the NRO. A decision was made based on current NRO guidelines and calls with other agencies. Employees may want to review the policy that applies to all federal government employees assigned to NRO offices. Closures and delays announced by the Office of Personnel Management (OPM) will not apply to NRO employees assigned to Washington area NRO facilities located outside the National Capital Beltway; but, will apply to NRO personnel assigned to locations inside the Beltway. (NROI 120-3a)

(U) Through this NROI, the Director of the NRO has delegated authority to the Director Management, Services and Operations to close the NRO in facility and weather emergencies. When early dismissal is authorized, the Office of Human Resources (OHR) will notify employees through appropriate means. During non-official work hours, local (D.C. Metropolitan area) television and radio stations will announce any NRO closure due to inclement weather. Employees may also consult the NRO Weather Announcement Line at  or  ext.  (b)(3)

(U) Senior parent element representatives at the NRO have on some occasions the authority to authorize special situations for their employees, based on guidance from their respective organizations.

(U) Last week, consistent with NRO's policy, the NRO did not follow OPM's closure on Thursday morning. The Air Force, Navy and Army military and AF civilians did, however, issue specific guidance to their personnel. No similar guidance was issued for the remaining civilians (CIA, NSA, NIMA). As such, these employees were expected to report to the NRO. The NRO Weather Announcement Line indicated that the NRO was operating under an unscheduled leave policy. In other words, the NRO was open on time, but non-emergency employees could take annual leave or leave without pay without prior approval of their supervisors. Emergency employees were expected to report for work on time. Subsequently, when the DNRO made the decision on Thursday morning to close NRO facilities at noon on Thursday and all day on Friday, all employees were excused from work during that time.

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(U) Col. Chip Zakrzewski, director of the NRO Office of Space Launch and mission director for the launch, was gratified to successfully complete his first launch since assuming his position nearly two years ago even though he has been assigned to OSL for over seven years. In his words, "the bridesmaid became the bride."

(U) Col. Zakrzewski explained that the success of this launch his was one of the greatest triumphs for the NRO in all of his years with the organization.

(U) "I've seen some of the bad press about the NRO recently, but no one outside the organization will ever know all of the work and challenges that we faced and overcame to make this launch a success," said Col. Zakrzewski. "This mission and the challenges we faced were unprecedented in all of my years working launch and the tremendous success we achieved is a real tribute to the team that worked this launch."

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~~UNCLASSIFIED//FOUO~~

**(U) Attend Brown Bag with DDNRO on Oct. 7th**



~~(U//FOUO)~~ Find out what is going on in and around the organization by attending the next DDNRO Brown Bag on **Tues., Oct. 7th from 11:00 a.m. to noon in 15B22**. All NRO personnel are invited to attend. Attendees are encouraged to come with lunch and questions. Seating is limited. To RSVP, contact  at  (b)(3)

~~UNCLASSIFIED//FOUO~~

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(U) FIA restructure places program on path to success

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 [redacted]  
 the Future Imagery Architecture (FIA) Program  
 [redacted]  
 The FIA program was  
 awarded to Boeing [redacted] 1999 at a  
 development cost of \$4.8 billion  
 [redacted]

[redacted]

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(U) "The reality is that FIA is costing about what it was originally anticipated to cost at the outset," said [redacted] But, according to [redacted] and others, the original contract award presumed savings would result from the application of new business processes and the use of acquisition reform techniques aimed at decreasing oversight and increasing contractor efficiency. As many programs awarded in the last decade have recognized, those savings never materialized.

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(U) Focusing on the content of the individual building blocks, and not total cost or fee, allowed all sides to reach clear agreement at the lowest element of every task. Four FSS/contractor teams, each focused separately on optical [redacted] ground or engineering [redacted] issues, identified additional scope and risk reduction efforts that needed to be included in the program's proposal. After three rounds, [redacted] lasting about a month, they were able to achieve nearly 100% agreement on each of those tasks. Coincident with those meetings, the FSS management team kept careful watch over what was being added and removed to assure that, when the teams were done, risk was balanced throughout the effort and the total cost would not be out of line with their known budget.

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(U) "This method afforded the NRO significant insight into the contractor's basis of cost estimate and allowed us to understand and

agree to all additional scope changes prior to finalizing the ECP," said [redacted] Deputy Director FSS. By eliminating cost or fee, the S2S process allowed both sides to concentrate on what was most important – the mission. "We were worried about content and wanted both sides to forget fee, so we never looked at anything from the monetary perspective during the S2S process. The award fee amount wasn't even discussed until the very end," said [redacted]. "We had not done this in the past for this program."

(U) At settlement, the government found itself in a prime negotiation position. "We thoroughly understood the contractor's costs, and risks, as did the contractor. Both parties knew the added scope, the pieces that represented growth, and just as importantly, what was already included in the existing baseline," said [redacted]. As a result, formal negotiations for FIA were completed in record time in (b)(3) one letter and a 90 minute face-to-face discussion over the course of two business days because of the work completed up front.

(U) Boeing didn't escape unscathed as they lost a significant level of existing fee, and only received minimal new fee for the added scope. "However, by eliminating some of the future negative cost penalties, increasing the importance of the traditional award fee, and placing clear goals on schedule incentive, the contractor still retains a good opportunity to make a fair profit," said [redacted]. "Our job is to make the contractor successful. And, unlike the past, we'll exercise whatever level of control we need to make sure that happens."

(U) The restructure will be reviewed by Congress and the Deputy Director for Systems Engineering, (DDSE). Congress recently requested a new independent cost estimate for FIA and the DDSE is expected to conduct a test thoroughness analysis and independent review for the program. "The team is ready," said [redacted]. "We, as much as everyone else, want to make sure that we've got it right. We cannot afford the consequences of getting it wrong."

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[Large Redacted Area]

[Redacted]

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~~(S//TK)~~ The FIA program to date has implemented

[Redacted]

~~(S//TK)~~

[Redacted]

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~~(S)~~ [Redacted]

~~(S//TK)~~ [Redacted] (b)(1)  
[Redacted] (b)(3)

~~(S//TK)~~ [Redacted] (b)(1)  
[Redacted] (b)(3)

*More photos from the flight test are below.*

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(U) FIA flight tests (con't)

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Figure3:

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NOTE:

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**UNCLASSIFIED.**(U) Young Panel issues report on acquisition of national systems, FIA  EELV

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(U) Recently, the Young Panel released a report outlining its findings and recommendations on the acquisition of national security space programs. The panel, better known outside of the NRO as the Defense Science Board/Air Force Scientific Advisory Board Joint task Force, was chartered by the USecAF/DNRO along with the SecAF, and the USecDef to review, identify and characterize systemic problems within the acquisition of national security space programs and to make recommendations to improve the process from initiation to deployment. The panel was also chartered to review the status of three programs: Space Based Infrared System (SBIRS) High, the Future Imaging Architecture (FIA) and the Evolved Expendable Launch Vehicle (EELV).

(U) Although the 74-page report details the panel's full set of findings and recommendations, in summary the report underscore the following key points:

to enhance quality and ensure mission success." Therefore, the panel recommended that leaders within the space acquisition process adopt mission success as a core value.

1. (U) **Cost has replaced mission success as the primary driver in managing acquisition processes, resulting in excessive technical and schedule risk.** According to the report, "the change of emphasis from mission success to cost has resulted in excessive technical and schedule risk as we;; as a failure to make responsible investments to enhance quality and ensure mission success." Therefore, the panel recommended that leaders within the space acquisition process adopt mission success as a core value.

2. (U) **The space acquisition system is strongly biased to produce unrealistically low cost estimates throughout the acquisition process. These estimates lead to unrealistic budgets and unexecutable programs.** "Proposals from competing contractors typically reflect the minimum program content and a 'price to win.' Analysis of recent space competitions found that the incumbent contractor loses more than 90 percent of the time. An incoming competitor is not 'burdened' by the actual cost of an ongoing program, and thus can be far more optimistic. In many cases, program budgets are then reduced to match the winning proposal's unrealistically low estimate," stated the report. As a result, the panel advised that the government budget space acquisition programs to a most probable (80/20) cost, with a 20-25 percent management reserve for development programs included within this cost.

3. (U) **Government capabilities to lead and manage the acquisition process have seriously eroded.** According to the report, acquisition reform in the 1990s is, in part, to blame for marginalizing and eroding the government's role in program management. Since program managers (along with their staff) are the only ones who can make a challenging space program succeed, strong authority and accountability must be vested in the manager. The panel also observed erosion in the experience of program managers. "Widespread shortfalls exist in the experience level of government acquisition managers, with too many inexperienced personnel and too few seasoned professionals. . . The lack of dedicated career field management for space and acquisition personnel has exacerbated this situation." To this end, the panel advises that government must pay immediate attention to its acquisition staffing, reporting integrity, systems engineering capabilities, and program manager authority.

4. (U) **While the space industrial base is adequate to support current programs, long-term concerns exist.** The panel found that while prime contractors have adequate workforce with low turn over to handle planned space programs, that second- and third-tier contractors are having problems with low demand for the components that they produce. In some cases, this places support to national security at risk. Thus, the panel recommended proactive government involvement for a small number of selected cases. The panel also noted that the government recognize and plan for the fact that commercial space activity has not developed to the degree anticipated and that the expected national security benefits have not materialized. Last, it noted the coming challenging of replacing the soon to retire aging workforce of engineers and managers within the aerospace industry.

(U) Based upon these findings, the report details several items for the immediate action of the USecAF/DNRO, SecDef, SecAF, and DCI. For the USecAF/DNRO specifically, the panel advises, among other things, he establish mission success as the guiding principle in all space systems acquisition; compete space system acquisitions only when *clearly* in the best interest of the government; authorize program managers to control requirements within an approved baseline and require at least four year tours for key program management.

(U) Regarding specific programs, the report referenced the positive corrective actions taken to restructure **SBIRS High**. The panel noted that this restructuring should continue and that there be a review of past engineering and test activities to assure acceptable quality of the product. While impressed with the current program management, the panel advised that additional experienced managers were required to execute the program successfully.

(U) On **FIA**, the report stated that funding for the program be augmented to reflect a most probable (80 percent) cost and that there be significant program and schedule changes to maximize mission success. It also recommended that there be a review of past

engineering and test activities to assure acceptable quality of the product. Fortunately, many of these recommendations have already been accomplished through FIA's recent [redacted] restructure. (See article above entitled, "FIA restructure places program on path(b)(3) success").

(U) On EELV, the panel stated that assured access to space requires at a minimum sustaining both contractors for the program until mature performance has been demonstrated. It found that EELV business plans for both contractors were not financially viable. Thus, the panel recommended that the SecDef initiate actions to incorporate assured access to space into national security policy and that the USecAF/DNRO establish a long-term plan for the EELV program.

(U) To read the complete report, visit [www.acq.osd.mil/dsb](http://www.acq.osd.mil/dsb) on the internet. The report is posted under the heading **2003 Space Acquisition**.

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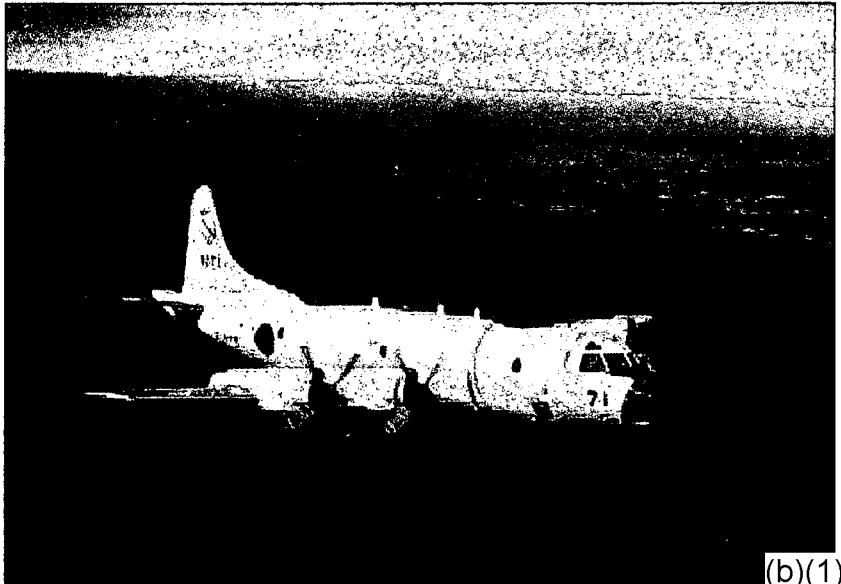
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**(U) An insider's look at the collision of the Chinese F-8 and U.S. Naval SIGINT EP-3**

(U) On Apr. 1, 2001, a U.S. Naval EP-3 SIGINT aircraft collided mid-air with a Chinese fighter aircraft. The EP-3 was forced to make an emergency landing on a Chinese island, giving the Chinese unlimited access to the aircraft until it was flown off the island two months later. A team of experts from the National Security Agency, the Naval Criminal Investigative Service and other elements inspected the aircraft afterwards for evidence of tampering and reverse engineering. Recently [redacted] a NSA inspection team member spoke at Westfield's about the team's findings at a Friday Briefing sponsored by DDMS/OSO.



(U) The collision occurred when a Chinese F-8 collided into the EP-3's propeller, ripping the propeller off, causing both planes to descent. A photo taken by the EP-3 prior to the crash shows the F-8 flying at an attack angle. Another photo shows the Chinese pilot in the cockpit holding up his e-mail address on a placard.

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(U) Upon their first visit to the plane, Lockheed observed that the plane was free of debris despite the debris generated by the plane's crash and tumble. As they began to disassemble the plane, taking it apart by chainsaw, each Lockheed representative was carefully monitored by two Chinese chaperones who watched and videotaped their movements. "The Chinese saw the disassembly of the plane as a victory for them," said Mr. Krieg.

(S) [redacted]

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(S) [redacted]

(S) [redacted]

(U) To date, the EP-3 has been rebuilt, its equipment removed, and is being re-used. China sent the U.S. a bill for \$1 million for

storing the plane for two months. The U.S. issued them a check for \$34,000 which has yet to be cashed.

(U//FOUO) To see the entire briefing on videotape, contact  at

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**(U) NRO honors 2003 National Reconnaissance Pioneers today**

(U) The NRO proudly announces the following names of the NRO Pioneers for 2003 for their significant contributions to the national reconnaissance program. DNRO Peter B. Teets and DCI George Tenet will congratulate these individuals for playing a critical role in the early years of national reconnaissance at an induction ceremony **today, Tues., 23 Sept. at 1:30 pm** in the Jimmie D. Hill auditorium. All NRO personnel are invited to attend. The ceremony will be available via video-teleconferencing. Please contact your local video support office for assistance. For further details contact [redacted]

(U) The NRO Pioneers for 2003 are as follows:

**Carl L. Ferdensi, Jr.**

*Career in National Reconnaissance: 1976 - present*

(U) Mr. Ferdensi devised algorithms and computer processing techniques in the late 1970's for foreign instrumentation signals intelligence (FISINT) data. His pioneering work led to dramatic improvements in telemetry collection. The accuracy of the data enabled national and military decisionmakers to analyze and make informed decisions about Soviet military capabilities.

**David Raspet, Colonel, USAF (Ret)**

*Career in National Reconnaissance: 1966 - present*

(U) Colonel David Raspet pioneered advanced methods of integrating spacecraft into launch vehicles, and he provided crucial leadership in the management of national reconnaissance systems. His innovative approaches to spacecraft design and integration during the 1970s ensured the sustained operation of reconnaissance satellites and the continuous flow of technical intelligence to national and military decisionmakers.

**Dr. James W. Stoner**

*Career in National Reconnaissance: 1970-present*

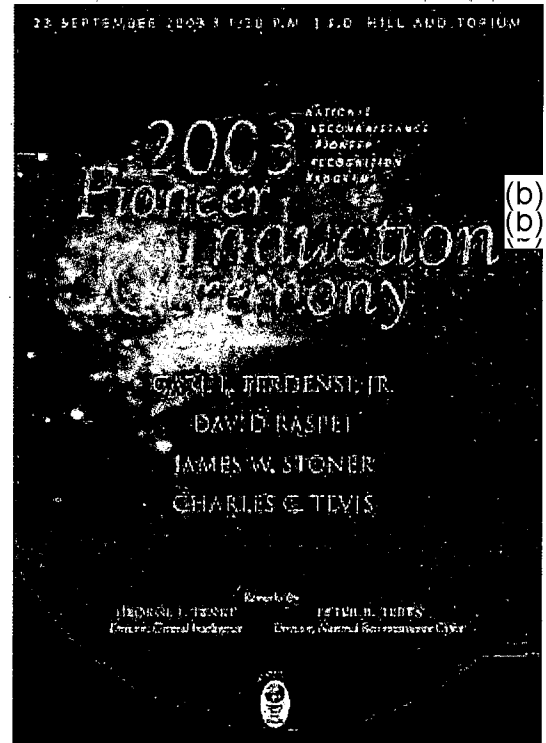
(U) Dr. Stoner pioneered techniques for near-real-time processing of electronic intelligence (ELINT) signals in the 1970s. He developed essential algorithms, supervised software engineering, and implemented ground station procedures to process large volumes of data in support of global military operations. His work made possible rapid digital processing and dissemination of data that continues to meet critical requirements of military users.

**Charles C. Tevis**

*Career in National Reconnaissance: 1954-1994*

(U) Mr. Charles C. Tevis, in the late 1950s, was a pioneering advocate at the NSA for space-based signals intelligence (SIGINT) collection. His advocacy for using satellites to collect telemetry from foreign strategic weapons systems resulted in the deployment of several novel space-based SIGINT collection systems. In the late 1960s, Mr. Tevis also was instrumental in founding the Defense Special Missile & Astronautics Center (DEFSMAC) that analyzed signals intelligence at a single location. This made integrated intelligence available to senior national and military policymakers.

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**(U) Revisions to NRO non-monetary awards to impact contractors**

(U) Contractors are no longer eligible to receive non-monetary awards but can be recognized for their contributions. NRO non-monetary awards were originally available to all NRO employees, but based on recent guidance from the Office of General Counsel (see NRO Director's Note 2003-32), these awards are no longer available to contractors, with the exception of Directorate/Office coins. Managers are instead strongly encouraged to recognize contractors through letters of appreciate to their parent company. Many parent companies have similar non-monetary award programs used to recognize their employees.



(U) The Non-Monetary Award, commonly referred to as the "Tier" Award, is available year-round. Tier I, II, and III awards are designed for managers and peers to recognize and reward individual or team contributions of short duration with high impact. The award "tiers" correspond with established, not to exceed, award levels of \$25, \$50, and \$75. The NRO Awards Program establishes criteria, nomination procedures, and approval authority for the Non-Monetary Award. The criteria can be found in the NRO Awards Program handbook on the OHR website.


(U) Although Directorates/Offices must follow the same criteria and award levels, they are permitted to tailor the awarded items to develop unique programs best suited for their employees. Some examples of non-monetary awards presented include beach towels, mugs, tool sets, golf accessories and even gift certificates.

(U) If you have questions about this award or other ways to recognize great performance, contact your immediate supervisor or visit the OHR website, or call the OHR/Awards & Recognition Team at  (b)(3)

(U) The briefing slides used to brief NRO managers and supervisors on the updates to the NRO Awards Program are also now available on the OHR website. Visit this site today to determine if you may be eligible for any upcoming monetary awards!

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~~UNCLASSIFIED//FOUO~~**(U) NRO Hispanic Advisory Council offers educational opportunities**


**HISPANICS**  
Defending  
Our Freedom

|                                 |   |
|---------------------------------|---|
| September 15 -<br>October 15    | Diversity Display<br>Hispanic Medal of Honor Recipients<br>2 <sup>nd</sup> floor in Cultural Exhibit area   |
| Sept. 16                        | Workforce Excellence Lecture Series<br>Keynote Speaker: Dr. Samuel Betances<br>Topic: "The Value of Diversity and Why<br>White Men are Indispensable in the Quest"<br>10:30-11:30, J.D. Hill Auditorium |
| Sept. 17, 24 &<br>Oct. 1, 8, 15 | Hispanic Lunch Menu Specials<br>Westfields Cafeteria  |
| Sept. 22                        | Latin Dance Lessons & Refreshments<br>NRO Latin Dance Group<br>3:00-4:00, NRO Cafeteria<br>no registration required, all welcome to attend  |
| Sept. 25 &<br>Oct. 2, 9, 16     | Basic Conversational Spanish Lessons<br>11:30-12:30, Room 14A04<br>No registration required<br>First-come, first-served   |

**Hispanic Heritage Month**  
September 15 - October 15, 2003

(U) The NRO Hispanic Heritage Month Planning Committee, in coordination with the Office of Equal Employment Opportunity and Military Equal Opportunity (OEEO/ME), has developed several educational activities to address the NRO's core value of Respect and Diversity.

(U) A variety of activities are planned from Sept. 15 to Oct. 15, including an exhibit in the second floor spline entitled "Hispanics Defending Our Freedom," Spanish classes, and cultural dance presentations at NRO headquarters and [redacted]

(U) On Sep. 16, as part of the Hispanic Heritage Month activities, Dr. Samuel Betances presented a well-attended and provocative Work Force Excellence Lecture entitled "The Values of Diversity and Why White Males are Indispensable in the Quest."

~~(U//FOUO)~~ To learn more about Hispanic Heritage Month events, visit the OEEO/MEO website or contact the Chairperson of the NRO Hispanic Advisory Council [redacted] at [redacted] (b)(3)

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(U) New NRO magazine "hits stands," solicits story ideas



(U) The premiere issue of NRO's new corporate quarterly magazine, the *Space Sentinel*, is finally here! Its available in hard copy and via a PDF file at file:\\S:\Organizations\Staff\PAS\Space Sentinel Magazine. This first edition focuses on NRO's contributions to Operation Iraqi Freedom and gives readers insight into the myriad of NRO products, services, people and information that played a crucial role in the war.

(U//FOUO) Copies of the magazine are available in 14B00U. To receive a copy via inter-office mail or courier delivery, please contact

[redacted] at [redacted] or [redacted] at [redacted]

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(U) The *Space Sentinel* is YOUR magazine. The Office of Corporate Communications encourages personnel to submit story ideas, contribute articles and send letters to the editor if you have a comment or opinion.

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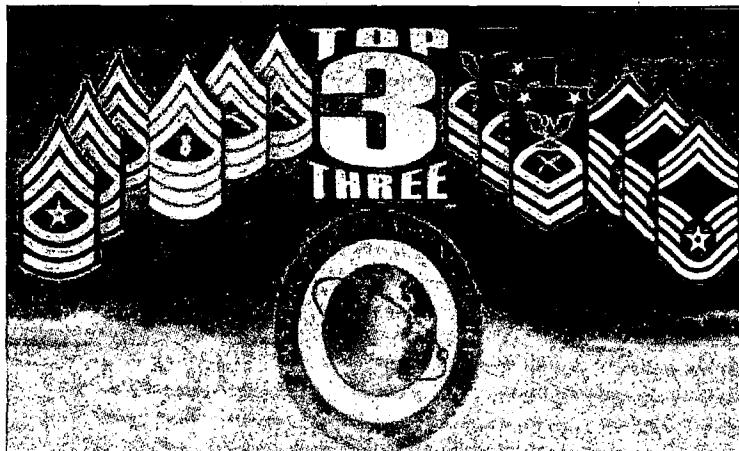


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**(U) NRO Enlisted Top 3 helps junior enlisted make the grade**

(U) The NRO Enlisted Top 3 recently awarded several grants to junior enlisted personnel within all the services in pursuit of a higher education in personal and professional development. Overall, the Top 3 awarded 12 \$100 book grants and six \$500 scholarship grants. Scholarship grant applicants were required to write a 250-word essay explaining how an off-duty education would affect their ability to meet current responsibilities, support short-term military career goals and long-term personal goals. A panel of senior NCOs selected the awardees.



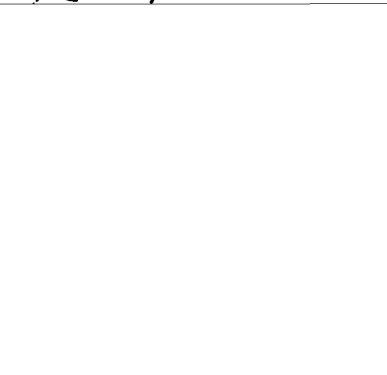
(U) The grants were made possible by the White House Christmas Ornament sale hosted annually by the Enlisted Top 3. High sales from last year were due largely to the kind generosity of NRO community. The Enlisted Top 3 thanks the NRO, supervisors and senior NCOs who took the time to support and recognize their troops.

~~(U//FOUO)~~ **2003 Scholarship Winners**



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~~(U//FOUO)~~ **2003 Book Grant Winners**



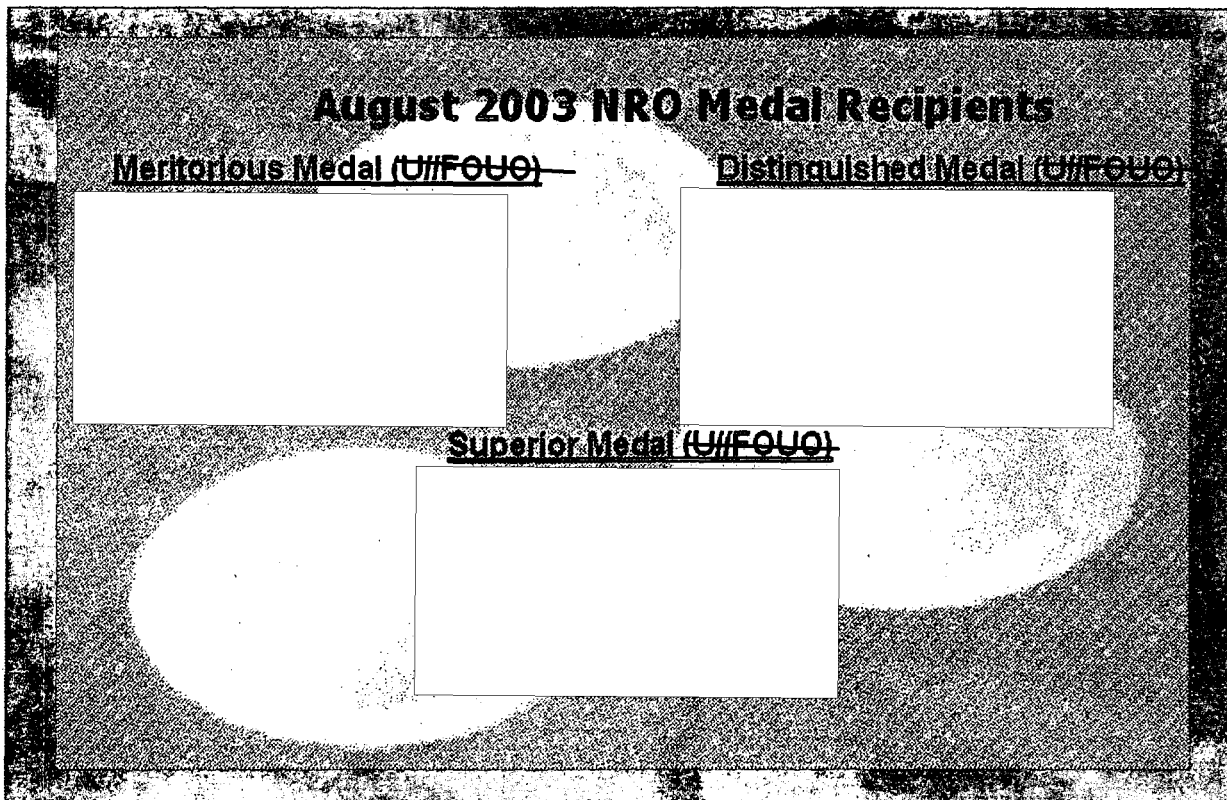
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(U) August Medal Recipients



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**(U) DDNRO congratulates GS-15 promotees**



(U) On Sept. 11, before a packed conference room filled with supervisors, family members, friends and well-wishers, DDNRO Dennis Fitzgerald congratulated the following recent promotees to GS-15. Before handing out the certificates, he delivered heart-felt words about the meaning of leadership, the importance of integrity and the characteristics needed to proceed to the Senior Intelligence Service.

(U//FOUO) The NRO congratulates the following GS-15 promotees from ODE and NCS career fields:

**GS-15**



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