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OXCART IDEALIST CORONA FULCRUM
ISINGLASS [redacted] ZOSTER [redacted]
TAGBOARD STSPIN EARPOP

DEPARTMENT OF THE AIR FORCE
WASHINGTON

OFFICE OF THE UNDER SECRETARY

May 25, 1965

1. CIA
2. [unclear]
3. [unclear]
4. [unclear]
5. [redacted]
6. 55-1
7. RFI

Dear Red,

The NRO is now in the process of apportioning funds for the National Reconnaissance Program for FY 1966. Apportionment requests from the several program directors are in hand and being analyzed. I would like in this letter to note some elements of the CIA request and some of the problems they pose in settling on a financial plan. I am writing this as a personal letter, and I would appreciate your handling it as such until we have had a chance to discuss it.

The CIA request includes funds for line items that were approved for planning purposes in the formation of the NRO FY 1966 budget, five line items that were recommended last year by CIA, with varying degrees of substantiation, but not approved for budget purposes, and two new line items not proposed at that time. Including money that will be required if we operate OXCART out of Kadena, the CIA apportionment request is \$190 M higher than the budget. Of this increase, about \$31 M represents increases in the budget line items, about \$151 M for items proposed in lesser amounts but not included in the budget, and about \$8 M for new items.

The total budget established for the NRP in FY 1966 is [redacted]. I doubt that a proposed increase of \$190 M can be justified. I am sure that an increase this large in one portion of it cannot be absorbed by adjustment alone of the remainder. Before I can propose to the Secretary of Defense any increase in the total, the requirements for, and priorities among, many of the items or proposed increases must be made more clear and explicit than they now are.

Considered individually below are the major items of difference between the CIA request and the budget, with a statement of the major specific issues as they appear at this time. Each discussion is headed by a line item designator, and three figures in thousands of dollars, thus:

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Page 1 of 7
Control No. 84-31527

~~TOP SECRET~~ OXCART IDEALIST CORONA FULCRUM
 ISINGLASS [] ZOSTER []
 TAGBOARD STSPIN EARPOP

(Name) \$(FY 66 Budget) \$(CIA request) ±\$ (difference).

In each case, we are examining further details with General Ledfor. The total CIA submission is noted first.

TOTAL	\$286,583	\$476,796	+ \$190,213
OXCART	\$103,500	\$103,643	+ \$ 143
OX Staging	0	11,391	+ \$ 11,391
	<u>\$103,500</u>	<u>\$115,034</u>	+ \$ 11,534

These items are combined. The significant change here is the funding of a staging or operating base at Kadena, relating to the possible use of OXCART over China. The issues here seem to be two. First, although I know that this matter has been discussed with Mr. Vance, I have not received from him or Mr. McNamara any direction to proceed. Second, the costs involved are great enough that one must consider the likelihood that the aircraft will be ready for the operation, and that political approval will be given for overflight with U. S. pilots.

Incidentally, let me urge that proper explanation be given the ChiNats before any hint of this activity becomes evident.

FULCRUM \$109,800 \$109,800 \$ 0

As indicated, funds were budgeted in FY 1966 for development of a new general search system. Adequate funds for system development will be included in the FY 1966 Financial Plan, and the task will be pursued with all urgency.

Although I have your letter of 25 May at hand, I have not been briefed on any Agency activities in this area since the Land Panel met in February to review the FULCRUM concept. In view of their report, the question whether specifically FULCRUM should be pursued into development can no longer be regarded as an issue.

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 ISINGLASS [] ZOSTER []
 TAGBOARD STSPIN EARPOP

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Copy 1 7
 Page 2 7
 EYE 36527-15

~~TOP SECRET~~

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 ISINGLASS [] ZOSTER []
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I have separately outlined to you the examination of alternatives which has been underway. I consider that the Eastman approach is one of least risk, and promises certain advantages in performance. I propose to fund it for development, and to carry in parallel a project at ITEK that is of somewhat higher risk but of great technical interest, should it succeed. I plan to review the status of these two efforts for you and Mr. Vance sometime in June.

IDEALIST \$ 16,800 \$ 24,312 + \$ 7,512

The proposed increase relates almost entirely to acquisition of improved subsystems - cameras, ELINT gear, and countermeasures. The specific proposed improvements will have to be examined on their merits. There are also several general questions which must be considered in arriving at an apportionment. These are, first, the extent and scope of the IDEALIST activity, considering the dwindling productivity and increasing costs that we have been experiencing, second, the number of aircraft to be assigned to the CIA, in view of the present size of the total fleet and the demands now currently being met by SAC, and third, the question, whether a new purchase of U-2's, appropriately improved, is to be undertaken. I am preparing for our later review an analysis of the current operations and of the possibilities for the future.

CORONA Payloads \$ 20,183 \$ 37,460 + \$ 17,277

This proposed increase covers some increases in cost, a possible increase in total procurement, and includes preliminary estimates of the costs of improvements that might be undertaken. At this time, the figure cannot be considered firm, because of the several program decisions upon which it depends. When more data are available, I will want to discuss this with you.

STSPIN \$ 0 \$ 11,627 + \$ 11,627

The indicated increases represent the procurement of a fourth P3A aircraft and its related equipment, and major modifications for one P2 aircraft. It is also noted that more of the "operating" type costs are included than heretofore. As the NRP is now defined, these charges may be considered appropriate.

IDEALIST CORONA FULCRUM
 ISINGLASS [] ZOSTER []
 TAGBOARD STSPIN EARPOP

~~TOP SECRET~~ OXCART IDEALIST CORONA FULCRUM
ISINGLASS [] ZOSTER []
TAGBOARD STSPIN EARPOP

At the same time, it requires that the operation of these programs be brought properly under the cognizance of the NRO. In the past, NRO funding has covered major aircraft modifications and equipment procurement, but the NRO has had little information about the operations themselves. Even information for budgeting purposes has been inadequate.

It seems to me that the primary issue here is the requirement for these programs; second is the question of their contribution to the NRP per dollar spent. As far as I can determine, USIB has never addressed the requirement explicitly. Detailed technical requirements have been issued by COMOR, but these do not provide a basis for evaluating the productivity of these missions in comparison to other parts of the NRP, or to related peripheral activities.

These programs have been financed from NRO funds to the extent of \$16 M in less than two years, and I have your 25 May letter explaining the need for \$3.05 M more of FY 1965 funds. Most of this money has come from emergency sources, since only \$6 M of it was actually covered by CIA budget requests. If the FY 1966 costs indicated above are incurred, these programs could spend \$31 M of NRO funds in about two years. This is a rate of spending approximately one-third that of our satellite ELINT program. The USIB is currently examining critically the cost and effectiveness of that program. I recommend that the STSPIN - [] activity be examined in comparison to the satellite program, in respect to productivity per dollar.

ISINGLASS	\$ 0	\$110,950	+ \$110,950
Adv.A/C Studies	\$ 6,100	\$ 0	- \$ 6,100

ISINGLASS was proposed by CIA at \$8 M for design and limited development in FY 1966. It was not approved as a line item for the President's budget. An amount of \$6.1 M was substituted for general studies of advanced aircraft, without identifying specific systems. The apportionment request now proposes a six-month feasibility program, at a cost of \$16.3 M, with a program go-ahead prior to January 1966, costing an additional \$94.65 M.

OXCART IDEALIST CORONA FULCRUM
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TAGBOARD STSPIN EARPOP

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~~TOP SECRET~~

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ISINGLASS [] ZOSTER []

The proposed ISINGLASS program and its justification, as they have been briefed to me, are deficient in many fundamental respects. What has been proposed is the development of a rather specifically defined air-launched hypersonic boost-glide aircraft system. No analysis of alternatives has been made that justifies the particular form of system proposed. The estimates of cost as reported to me suggest a development cost of about \$1 billion; the estimates of total development and operating costs ignore some major elements of expense. I feel that they may be low by a factor approaching two. No analysis of requirements has been reported to me that approaches justifying a project of the scope proposed.

I have asked General Ledford to propose a study program which will attack some of the major questions relating to the form of the system that must be answered before any rational decision can be made to proceed. Even after these questions are illuminated, it will be necessary to compare the system as it then appears against satellites, aircraft, and TAGBOARD, before its true desirability can be evaluated. The program that I have asked of General Ledford would include competitive design studies by at least two contractors, specifically Boeing and McDonnell, and would require each contractor to examine both manned and unmanned configurations, each with and without an integral booster. So far, I have not had a reply to my request. I do not consider that we can reasonably propose funds for an ISINGLASS development in FY 1966.

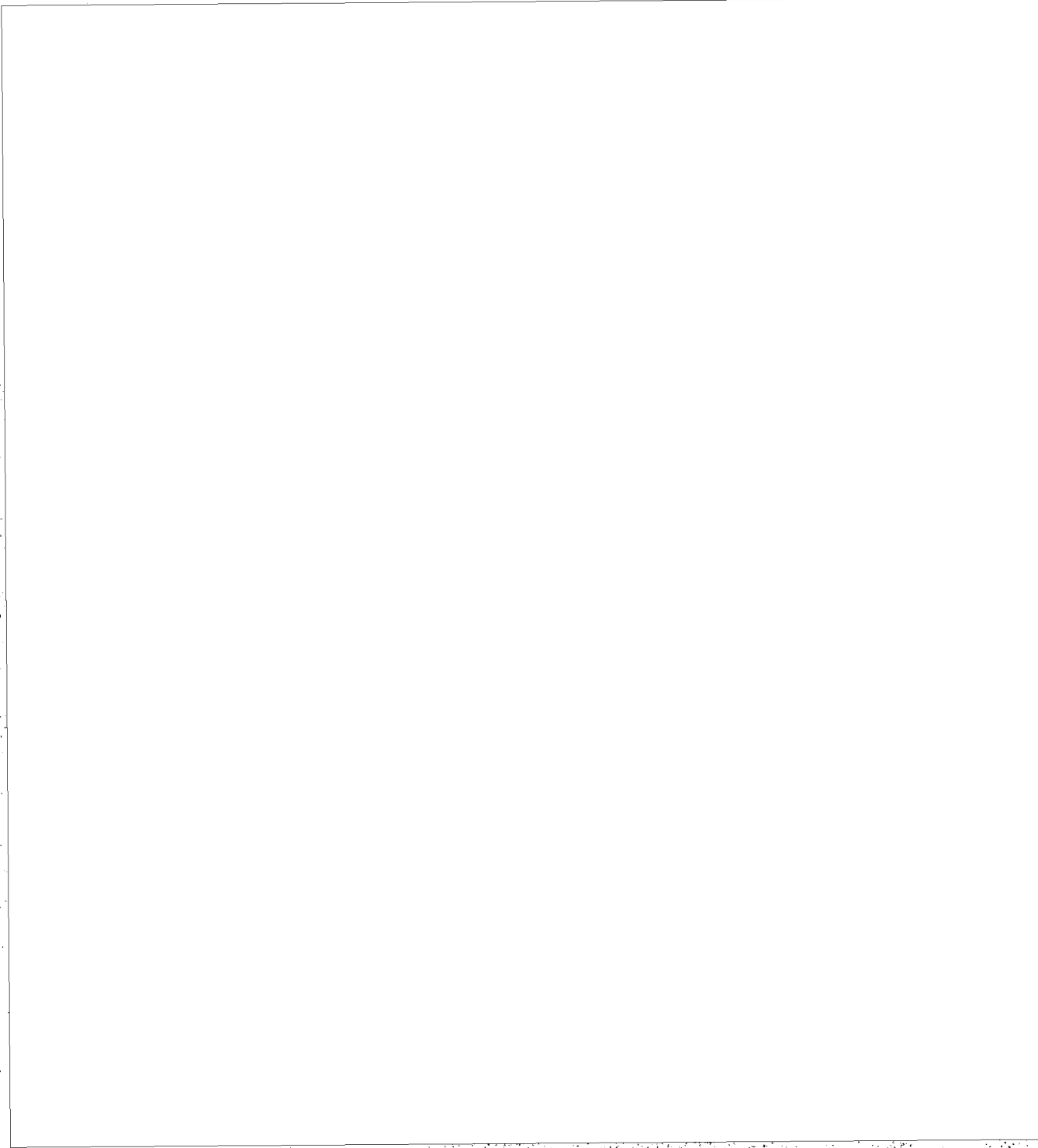


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ISINGLASS [] ZOSTER []

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6

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~~TOP SECRET~~

Page _____ of _____ pages

Control No. _____

~~TOP SECRET~~

OXCART IDEALIST CORONA FULCRUM
ISINGLASS [] ZOSTER []

Defense, Bureau of the Budget and Congress, particularly in view of Congressional criticism in the budget reviews of the size of the request. Accordingly, we must both ensure that projects to be undertaken provide the best return for money spent. After our reviews, I will be prepared to discuss my recommendations with you.

Sincerely,



Brockway McMillan
Director
National Reconnaissance Office

Vice Admiral William F. Raborn, USN (Ret)
Director
Central Intelligence Agency

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