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MEMORANDUM FOR: Director of Central Intelligence

To follow-up on Ray Cline's letter to you of July 20 concerning low-cost, quick response satellite systems, I telephoned him last Friday and gave him a status report on the EOI system decision.

In brief, I told him:

DD/S&T

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(1) That Mr. Laird had sent a recommendation to the President on behalf of the EXCOM and I outlined its contents;

(2) That the option of building a low-cost interim system was still a possibility if the President decided he wants something earlier than 1976 and that you had taken the lead in keeping this option open.

(3) That the conversations Mr. Duckett and I had with Wayne Smith lead us to believe that, on its own initiative, the NSC staff will suggest a low-cost, interim alternative to the President.

I promised to let him know as soon as we know about a decision.

Mr. Cline was pleased to be brought up to date and seemed satisfied that his point of view was represented. I don't think he expects a written reply to his letter and I recommend we consider my telephone call to be a sufficient response.

Renno

Donald H. Steininger Assistant Deputy Director for Science and Technology

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cc: DDS&T

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HANDLE VIA BYEMAN CONTROL CHANNELS DEPARTMENT OF STATE THE DIRECTOR OF INTELLIGENCE AND RESEARCH

WASHINGTON

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July 20, 1971

Dear Dick:

In the past I supported the urgent development of the EOI satellite, and to cover the interim between now and its readiness date, I urged the development of a low-cost, quick response satellite. My letter of September 4, 1970 noted the gap between what policy officers expect and what we can actually deliver at this time. I noted that in the Middle East crisis, the day was saved by your old work horse, the U-2. On January 15 of this year, the Secretary expressed his concern that even with the fastest implementation of plans for the EOI "we probably must wait some 5 years for a satellite system that could give us, on short notice, photographic coverage of areas where activities may be in train critically affecting our international interests and plans". The Secretary urged consideration of an interim system. Recent Congressional statements now force hard decisions on alternative systems.

A strong case can be made to wait for EOI, the Cadillac, particularly since HEXAGON is working so well. The fact remains, however, that target dates tend to slip -- HEXAGON had almost a two year delay. Before EOI is ready we may well be in situations where the decision makers will urgently need more flexible satellite capabilities.

I am concerned that if we go the EOI route its costs may eat into funds available for other satellite and reconnaissance programs and deny flexibility in improving working systems and meeting unforeseen but urgent intelligence needs. I am particularly concerned that its costs might preclude the development of a less vulnerable satellite. We have clear intelligence that the USSR has developed a satellite interdiction capability, so all present and planned systems can operate only with their permission.

The Honorable

Richard Helms, Director,

Central Intelligence Agency.

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In view of the foregoing I believe that full consideration must still be given to a relatively inexpensive quick reaction system, less vulnerable than present and planned systems, hopefully available within two years.

A key point is comparative cost. We initially believed an interim system would cost a fraction of EOI. I understand this estimate is now questioned. I believe we need a new look at costs and the time for development of both EOI and the several interim systems initially examined. It was never my intention to urge that we commit ourselves to an interim system so costly as to be feasible only as an alternative to the EOI. I know it is not State's role to determine how intelligence Community money is spent but we do have major concerns over the extent to which various systems meet the needs of our policy people. I would be grateful if you could keep in touch with me as you move toward a decision on these problems.

Sincerely Ray S. Cline

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