

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503



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Honorable David Packard
Deputy Secretary of Defense
Washington, D. C. 20301

Dear Mr. Packard:

The Executive Committee of the National Reconnaissance Program, in its meetings this month and later during the current fiscal year, will be facing complex choices on the level and allocation of funds for the READOUT technology definition effort now underway. These choices will have major budgetary implications in fiscal year 1972 and succeeding years.

There are two concerns which I believe should be addressed in considering the development of a large scale READOUT satellite system:

- The appropriate scope of a READOUT program, taking into account other NRP programs and other intelligence collectors now operating or feasible.
- The substantial overlap of the presently conceived READOUT system with the target surveillance capabilities of the HEXAGON and the G-3, and, therefore, the appropriate future mix of photographic/imagery satellites.

First, I believe that a careful reexamination of the most important intelligence functions of a READOUT system would



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be desirable. The appropriate scale and development pace of a READOUT system should be appraised in light of the present and expected future contributions of other NRP and non-NRP intelligence sources, including SIGINT as well as photography, to particular types of targets and intelligence purposes such as indications/warning, "crisis management," and estimating ICBM characteristics. For example, [redacted]

Second, as presently conceived, the READOUT satellite program might cost [redacted] - perhaps more - to develop over a four-to-six year period. The program would substantially speed up the return of imagery data [redacted]

However, the large scale READOUT system, inherently a large surveillance system, would greatly overlap the target surveillance capability of both the HEXAGON and G-3, as shown in the enclosed summary of surveillance capabilities against the target deck. Since READOUT would not be able to replace the wide swath, broad area search CORONA/HEXAGON program, and may not be able to replace the high resolution, technical intelligence G-3 program, the question of the appropriate future mix of photographic/imagery satellites, and READOUT's place in that mix, arises.

Therefore, I hope that a premature choice among technical options will be avoided and that a careful assessment of them will be made, taking into account development time, total system reliability including relay satellites, relationship to and ability to replace other imaging satellite programs, image quality improvement potential, target coverage capability, and costs.

In light of the above considerations, I believe that a study of the most important intelligence contributions of a READOUT

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system, considering other NRO and non-NRO capabilities, would be highly useful for decisions to be made over the next several months on the FY 1972 NRP budget. My staff is available to participate in such a close examination of the requirement for a HEADOUT system and alternative means of satisfying it.

Sincerely,

George P. Shultz
Director

Enclosure

cc: Mr. Helms
Mr. DuBridg
Dr. Melucas

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