MEMORANDUM FOR DR. HALL, ASD(I)

SUBJECT: Management of U-2 Resources

I have coordinated on your memorandum of July 31, 1973 providing for the consolidation of the U-2R fleet in the Air Force.

I question the potential cost savings, however, and offer the following comments. First, the configured aircraft will be needed by the NRO until the summer of 1975, and thus does not lend itself to use by the Navy before that time. Also, the operations cost for the U-2 fleet could conceivably rise if greater utilization is made of the fleet. The IDEALIST aircraft presently flown from Taiwan do not accumulate nearly as great a number of operating hours per year as they are capable of flying. I believe that it might be better to change the letter proposed for the Defense Secretary's signature to reflect a savings of several million dollars rather than a specific amount because of these uncertainties.

John L. McLucas