MEMORANDUM FOR THE DEPUTY SECRETARY OF DEFENSE

SUBJECT: Management of the National Reconnaissance Program Pending the Implementation of PIM II — ACTION MEMORANDUM

Background

The National Reconnaissance Program (NRP) has, since its inception, been a national-level program with a single manager — the Director of the National Reconnaissance Office (DNR), reporting directly to the Secretary of Defense on policy matters and to a committee of senior decision-makers on programmatic matters. In the light of the NRP's importance, this management arrangement was deemed necessary to insure the utmost in program flexibility, responsiveness, and effectiveness, and was defined in a unique charter agreed between the Deputy Secretary of Defense and the DCI (attached).

The issuance of EO-11905, the short tenure of the CFI, and the current review of PIM II, have placed the NRP in a questionable management position, with no operative charter to reflect the agreement between the current DCI and the Deputy Secretary of Defense.

Problem

By its nature, the NRP is a dynamic program which has, as a matter of course, open options continually under review for senior-level decisions at critical program junctures. Because unique incremental funding methods are used which have been approved by Congress, a high level of congressional awareness of these options and pending decisions exists. A particular case in point is the possible cancellation of the photographic systems and assigning their missions to another program.
During the management transition which has existed continuously since February 1976, the Intelligence Community Staff has increasingly assumed a management position between the DNRO and the DCI and other PRC(I) principals. This is an unacknowledged change to the DNRO's and the Secretary of Defense's roles and responsibilities. As such, it will impact the way in which the critical pending programmatic options now being developed by the DNRO will be presented to the PRC(I) for decision.

A lessor, but significant, problem of growing magnitude is the excessive expenditure of the NRO's slim-staff resource in attempting to execute a charter which is in question.

Recommendation

Recommend you discuss this matter with the DCI. The memorandum opposite and the attached Interim Agreement on the National Reconnaissance Program could be the basis for these discussions. If you and the DCI agree, recommend you sign the memorandum and interim agreement.

Charles W. Cook
Acting Director

Attachment

Approved________________________ Disapproved________________________
AGREEMENT FOR REORGANIZATION OF THE
NATIONAL RECONNAISSANCE PROGRAM

A. The National Reconnaissance Program

1. The NRP is a single program, national in character, to meet the intelligence needs of the Government under a strong national leadership, for the development, management, control and operation of all projects, both current and long range for the collection of intelligence and of mapping and geodetic information obtained through overflights (excluding peripheral reconnaissance operations). The potentialities of U.S. technology and all operational resources and facilities must be aggressively and imaginatively exploited to develop and operate systems for the collection of intelligence which are fully responsive to the Government's intelligence needs and objectives.

2. The National Reconnaissance Program shall be responsive directly and solely to the intelligence collection requirements and priorities established by the United States Intelligence Board. Targeting requirements and priorities and desired frequency of coverage of both satellite and manned aircraft missions over denied areas shall continue to be the responsibil of USIB, subject to the operational approval of the 303 Cmmitte

B. The Secretary of Defense will:

1. Establish the NRO as a separate agency of the DoD and will have the ultimate responsibility for the management and operation of the NRO and the NRP;

2. Choose a Director of the NRO who will report to him and be responsive to his instructions;
3. Concur in the choice of the Deputy Director of the NRO who will report to the DNRO and be responsive to his instructor.

4. Review and have the final power to approve the NRP budget.

5. Sit with members of the Executive Committee, when necessary, to reach decisions on issues on which committee agreement could not be reached.

C. The Director of Central Intelligence will:

1. Establish the collection priorities and requirements for the targeting of NRP operations and the establishment of their frequency of coverage;

2. Review the results obtained by the NRP and recommend, if appropriate, steps for improving such results;

3. Sit as a member of the Executive Committee;

4. Review and approve the NRP budget each year;

5. Provide security policy guidance to maintain a uniform system in the whole NRP area.

D. National Reconnaissance Program Executive Committee

1. An NRP Executive Committee, consisting of the Deputy Secretary of Defense, the Director of Central Intelligence, and the Special Assistant to the President for Science and Technology, is hereby established to guide and participate in the formulation of the NRP through the DNRO. (The DNRO will sit with the Executive Committee but will not be a voting member. If the Executive Committee cannot agree on an issue the Secretary of Defense will be requested to sit with the Committee in discussing this issue and will arrive at a decision. The NI Executive Committee will:
a. Recommend to the Secretary of Defense an appropriate level of effort for the NEP in response to reconnaissance requirements provided by USIB and in the light of technical capabilities and fiscal limitations.

b. Approve or modify the consolidated National Reconnaissance Program and its budget.

c. Approve the allocation of responsibility and the corresponding funds for research and exploratory development for new systems. Funds shall be adequate to ensure that a vigorous research and exploratory development effort is achieved and maintained by the Department of Defense and CIA to design and construct new sensors to meet intelligence requirements aimed at the acquisition of intelligence data. This effort shall be carried out by both CIA and DoD.

d. Approve the allocation of development responsibilities and the corresponding funds for specific reconnaissance programs with a view to ensuring that the development, testing and production of new systems is accomplished with maximum efficiency by the component of the Government best equipped with facilities, experience and technical competence to undertake the assignment. It will also establish guidelines for collaboration between departments and for mutual support where appropriate. Assignment of responsibility for engineering development of sensor subsystems will be made to either the CIA or DoD component in accordance with the above criteria. The engineering development of all other subsystems, including spacecraft, reentry vehicles, boosters and booster interface subsystems shall in general be assigned to an Air Force component, recognizing, however, that sensors, spacecraft and reentry vehicles are integral components of a system, the development of which must proceed on a fully coordinated basis, with a view to ensuring optimum system development in support of intelligence requirements for overhead reconnaissance. To optimize the primary objective of systems development, design requirement of the sensors will be given priority in their integration within the spacecraft and reentry vehicles.
a. Assign operational responsibility for various types of manned overflight missions to CIA or DoD subject to the concurrence of the 303 Committee.

f. Periodically review the essential features of the major program elements of the NRP.

2. The Executive Committee shall meet on the call of either the Deputy Secretary of Defense or the Director of Central Intelligence. All meetings will be attended by the DNIRO and such staff advisors as the Deputy Secretary of Defense or the Director of Central Intelligence consider desirable.

E. National Reconnaissance Office

1. To implement the NRP, the Secretary of Defense will establish the NRO as a separate operating agency of the DoD. It shall include the SOC which shall be jointly manned.

2. The Director of the NRO shall be appointed by the Secretary of Defense. The Director NRO will:

   a. Subject to direction and control of the Secretary of Defense and the guidance of the Executive Committee as set forth in Section D above, have the responsibility for managing the NRO and executing the NRP.

   b. Subject to review by the Executive Committee, and the provisions of Section D above, have authority to initiate, approve, modify, redirect or terminate all research and development programs in the NRP. Ensure, through appropriate recommendations to the Executive Committee for the assignment of research and development responsibilities and the allocation of funds, that the full potentialities of agencies of the Government concerned with reconnaissance are realized for the invention, improvement and development of reconnaissance systems to meet USIB requirements.
c. Have authority to require that he be kept fully and completely informed by all Agencies and Departments of the Government of all programs and activities undertaken as part of the NRP.

d. Maintain and provide to the members of the Executive Committee records of the status of all projects, programs and activities of the NRP in the research, development, production and/or operational phases.

e. Prepare a comprehensive budget for all aspects of the National Reconnaissance Program.

f. Establish a fiscal control and accounting procedure to ensure that all funds expended in support of the National Reconnaissance Program are fully accounted for and appropriately utilized by the agencies concerned. In particular, the budget shall show separately those funds to be applied to research and exploratory design development, systems development, procurement and operational activities. Funds expended or obligated under the authority of the Director of Central Intelligence under Public Law 110 shall be administered and accounted for by CIA and will be reported to DNRO in accordance with agreed upon procedures.

g. Sit with the USIB for the matters affecting the NRP.

3. The Deputy Director NRO shall be appointed by the DCI with the concurrence of the Deputy Secretary of Defense and shall serve full time in a line position directly under the Director NRO. The Deputy Director shall act for and exercise the powers of the Director, NRO during his absence or disabilit

4. The NRO shall be jointly staffed in such a fashion as to reflect the best talent appropriately available from the CIA the three military departments and other Government agencies. The NRO staff will report to the DNRO and DDNRO and will maintain no allegiance to the originating agency or Department.
F. Initial Allocation of Program Responsibilities

1. Responsibility for existing programs of the NRP shall be allocated as indicated in Annex A attached hereto.

(signed) Cyrus Vance       (signed) W. F. Reborn
Deputy Secretary of Defense Director of Central Intelligence
ANNEX A

The following assignments for the development of new optical sensor subsystems are made to take full advantage of technical capability and experience of the agencies involved.

1. The CIA will develop the improvements in the CORONA general search optical sensor subsystems.

2. Following the selection of a concept, and a contractor for full-scale development, in the area of advanced general search, the CIA will develop the optical sensor subsystem for that system.

3. The Air Force

4.

The Director, NRO will, in managing the corresponding over all systems developments, ensure that:

1. The management of and contracting for the sensors is arranged so that the design and engineering capabilities in the various contractors are most efficiently utilized.

2. The sensor packages and other subsystems are integrated in an over-all system engineering design for each system, with NRO having responsibility for systems integration of each over-all system.
MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Management Arrangements for the National Reconnaissance Program

As the result of the unresolved Intelligence Community reorganization, started in February 1976 with EO-11905 and continuing with PRM 11, the National Reconnaissance Office (NRO) charter has been in abeyance for over a year. This has resulted in a debilitating situation regarding the authority of the NRO, especially with respect to the staffs of the PRC(I) principals. In order to insure the necessary high level management visibility of this most critical function, I feel that we should agree to follow the last effective charter of the NRO (with necessary updates) until PRM 11 is implemented. The necessity for the DNRO to expeditiously prepare the PRC(I) for critical pending SIGINT and imaging system decisions suggests some urgency in this matter.

Attachment
INTERIM AGREEMENT
ON THE
NATIONAL RECONNAISSANCE PROGRAM (NRP)

In the interim period until the implementation of PEP 11, the Charter of the NRP shall be that of 11 August 1965, with the following updated changes:

1. The functions of the NRP Executive Committee shall be performed by the PRC(I).

2. The functions of the USIB shall be performed by the NFIB.

3. The functions of the 303 Committee shall be performed by the Special Coordinating Committee.

4. The DNRO will report directly to the PRC(I) on programmatic matters and to the Secretary of Defense on policy matters. The IC Staff shall support the DNRO with requirements for and intelligence utility evaluations of NRP systems, but shall exercise no line management function over the NRO.

DEPUTY SECRETARY OF DEFENSE DIRECTOR OF CENTRAL INTELLIGENCE