NOTE FOR MR. KATZ (ACDA)

You expressed some interest in the current exercise of considering the decompartmenting of satellite photography. Attached for your information is Dr. McLucas' response to USIB, which was signed out on April 12. Admiral DePoix' response is presently being coordinated by the SecDef. DIA is advocating decompartmenting, but says that there will be "significant internal adjustment."

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Response to USIB
MEMORANDUM FOR THE EXECUTIVE SECRETARY, USIB

SUBJECT: Modification of TALENT-KEYHOLE Controls

Reference your March 29 memorandum, USIB-D-46.2/22 (16-73).

The issue raised here is a significant one for the nation. The fundamental logic behind the recommendation stems from high confidence that a partial decompartmenting is possible without adversely affecting the national security and, more basically, that normal classification rules will adequately control information flow.

I believe, if this logic proves to be sound, that the NRO could withstand the added pressures without jeopardizing the integrity of the conduct of the NRP.

Since such a decision would be irreversible once it is made, I believe that further examination of risks and potential problems is warranted. I have attached a paper which identifies some risks and problems which have a strong likelihood of materializing should the decision to decompartment be made and if normal security does not adequately hold the line. The attached paper also lists questions which were raised from an examination of Dr. Proctor's paper.

I recommend that a systematic analysis of the implications be undertaken by a group representing the COMIREX, SIGINT Committee, NRO, NASA and the NSC prior to approaching the President for his decision.

John L. McLucas

1 Attachment
Discussion Paper
DISCUSSION PAPER

I. Risks if non-compartmented security is inadequate.

A. A rapid declassification of satellite photography and public acknowledgement of "the fact of." This possibility could be influenced by several factors:

1. Decreased control over the quality of people having access resulting from less stringent and less thorough security clearance criteria.

2. Decreased control on access to the product at the SECRET level resulting in less psychological responsibility of those having access.

3. Increased pressures from domestic Agencies in the Executive Branch to declassify for various Agency-oriented purposes.

4. Increased numbers of Legislators pressing for more complete information on programs.

5. Increased pressures from the media at a variety of levels for information which would lead to inadvertent disclosures.

B. A rapid erosion of SIGINT program security. This possibility could be influenced by several factors:

1. Increased pressures for relaxation of SIGINT data controls since the rationale for decompartmenting photography also applies to SIGINT, i.e., wide-spread accesses and ineffectiveness of the present TALENT-KEYHOLE System, problems in credibility, difficulty in sanitization, etc.
2. Present degree of fusion of SIGINT and PHOTINT for intelligence use.

3. Increased personal freedom to discuss satellite related aspects.

4. Increased difficulty in rationalizing to Legislators and others the difference between "sensitive" and "non-sensitive" satellite reconnaissance activities.

C. A rapid erosion of security. This possibility could be influenced by several factors:

1. Increased numbers of individuals able to discuss reconnaissance satellites resulting in discussion of "facts about," which can be more sensitive than "the fact of."

2. Increased pressures from domestic Agencies in the Executive Branch to declassify for various Agency-oriented purposes.

3. Increased pressures from the Legislative Branch for complete information in order to justify the programs.

4. Increased pressures from the media at a variety of levels for information which would lead to inadvertent disclosures.

5. Decreased control of "black to white" interface, by which covert work is accomplished, resulting in erosion of protection for the covert procurement activity.

II. Problems if non-compartmented security is inadequate:

A. International political sensitivity toward an acknowledged U.S. space reconnaissance program. Several factors which bear are:
1. The compartmentation of "the fact of" actually serves to prevent official acknowledgements at any level of classification which could serve as a basis for protests of U.S. spy activity over the territory of others.

2. Many countries are urging that national sovereignty be instituted in space.

3. There is no defense of overt information gathering from space other than the fact that it is legal and peaceful and there is no national policy at this time which governs an acknowledged high quality information gathering space program.

4. The U.S. cannot afford to alter its space reconnaissance philosophy and thus may be forced into a compromising position at the U.N.

5. Notwithstanding the tacit agreement and SALT national means understandings, the Soviets, if publicly confronted with the fact of a U.S. reconnaissance program, could revert to historic behavior patterns by publicly condemning space reconnaissance, even at the expense of Soviet operations.

B. NRO Management. Several factors which bear are:

1. "Normalization" of the product may imply a normalization of NRP activities, potentially causing increased costs of development and procurement.

2. If the Soviets acquire substantive information about U.S. capability, which affirms a relative U.S. advantage, an expensive competition may ensue, thus potentially increasing NRP costs.
3. Should it become known that a central office is devoted to the development and procurement of satellite reconnaissance systems extensive marketing efforts on the part of outside contractors may develop, thus eroding the solidarity of present covert contractor relationships.

4. Security implementation may be extremely difficult because of lower security investigative and adjudicating criteria utilized in processing a person for access to SECRET information and also since immigrant aliens can be processed for SECRET and individuals having foreign relatives can have access to TOP SECRET information, thus increasing the potential for disclosures.

III. Questions raised by Dr. Proctor's paper.

A. Who precisely would benefit from decompartmenting the data?

B. If there are not indeed high numbers of beneficiaries, would an alternative to decompartmentation be of use in lowering risk potential?

C. What would be the resource impact of increased knowledge of capabilities of photoreconnaissance on the identification of collection requirements?

D. What would be the resource impact on the physical requirements for product handling and dissemination at a decompartmented level of classification?

E. What degree of acceptability is expected from presently "cleared" members of Congress?

F. What would be the resource impact on ERS programs of NASA and other agency programs?
G. In the SALT vein, what impact is expected as to the President's options for raising challenges on SAL compliance, if the data are also available to Congress on demand?

H. Also in the SALT context, what is the legal implication of an inadvertent public disclosure vis-a-vis Soviet national reaction?