MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: NRO Charter and NSCID

The proposed National Security Council Intelligence Directive for the National Reconnaissance Program, given to you by Dr. Schlesinger, represents a departure from the existing management structure in several important respects. I have looked at the NSCID in depth, considered the impact of the changes upon the Program, and redrafted the paper for your consideration (Tab A). Included are Dr. Schlesinger's draft (Tab B), the President's letter of November 5, 1971, "Organization and Management of the U.S. Foreign Intelligence Community" (Tab C) and the "Agreement for Reorganization of the National Reconnaissance Office," 11 August 1965 (Tab D).

Since August 1965 the National Reconnaissance Office (NRO) has operated under an agreement between DoD and CIA. This agreement on the National Reconnaissance Program (NRP) was arrived at after several earlier attempts to evolve a satisfactory modus operandi in an area where both CIA and DoD (principally Air Force) had ongoing and to some extent competitive efforts. The 1965 agreement has served us well in that DoD/CIA relations have been smooth and systems have been conceived, built and operated with a high degree of success.

Recently several factors have called into question the adequacy of the current agreement. Both the U.S. Intelligence Board and the National Security Agency operate under NSCID. The NSA NSCID (NSCID-6) of recent date (17 February 1972) is felt by some to take precedence in part over the DoD/CIA agreement on the NRP of 11 August 1965. Whereas the NSCID-6 calls for joint NSA and NRO tasking of SIGINT satellites, the DoD/CIA agreement states that NRO is responsible for "development, management, control and operation" of satellites. A
restatement of NRO responsibility for operation of its systems is in order. While we have been able to arrive at ad hoc arrangements with NSA for system operations, our lot would be improved if we were negotiating with them as another "national" organization with a similar charter.

Of perhaps more importance, the presidential directive of November 5, 1971 gives to the DCI certain responsibilities for control of resources to be allocated to intelligence, and directs that DCI chair various committees and boards related to intelligence. While it does not specifically state that the DCI should chair the Executive Committee of the NRO, it certainly is within the implied intent of the directive.

The November 5 document also directs the "retention of the present management structure of the NRO." The assumption at the time of writing the November 5, 1971 document was that since NRO was operating well, it should be continued in its present form.

In my view, if the external environment were unchanged, there would be no reason to change the charter of the NRO. But because of the changed circumstances cited above, some account should be taken of these changes. And while we are about it, I believe it is desirable to eliminate some provisions of the old agreement which are no longer necessary. Dr. Hall has proposed that the DCI become chairman of the ExCom, but that the 1965 agreement be maintained. Dr. Schlesinger feels that an NSCID should be written covering NRO operations.

I have found that the draft encompasses a considerably different working arrangement than what I feel is desirable. Since the new draft proposes more far-reaching changes than I feel are appropriate, I discussed the subject with Dr. Schlesinger. He has stated that he concurs in maintaining NRO operations essentially as presently constituted. Dr. Schlesinger wants to become Chairman of ExCom but he has said that he has no intention of getting involved in the day-to-day operations of our program. Specifically he told me that he wants to redraw the NRO charter to be more in consonance with the
Presidential letter of November 5, 1971, with the operational end of NRO business to continue as before. He further stated that NRO operations had been first-class and he did not want to upset a good thing.

I have also reviewed the situation with the Secretary of the Air Force and the Chief of Staff. We three feel strongly that whatever changes are made in the superstructure of the NRO, the Director (DNRO) should be an Air Force official, and the principal support for the program should continue to be provided by the Air Force Systems Command and other components of the Air Force.

I personally believe that the Under Secretary of the Air Force is in the best position to be DNRO. I am the third Under Secretary to be DNRO; on one occasion the DNRO was an Air Force Assistant Secretary for R&D. In my opinion, this latter arrangement was sufficiently less effective than it should not be considered as an attractive alternative. If the NSCID directs that the Under Secretary of the Air Force be DNRO, a waiver could of course be obtained from NSC if there were compelling reasons to do so. The DNRO needs the "clout" of the Under Secretary position to expedite NRO matters and prevent this essential program from becoming bogged down in Pentagon routine.

In redrafting the NSCID I have altered it so that it represents a much less drastic change in management and operations of the NRP than does Dr. Schlesinger's draft. Yet the redraft attempts to satisfy Dr. Schlesinger's needs in operating under the President's November 5, 1971 directive. The important differences are:

a. A restatement of the Executive Committee membership to require that a Deputy Secretary of Defense be the DoD member. The authority which accompanies this position has been vital to the ability of the NRO to accomplish its mission; so much so that I believe we need to specify him as the DoD member.
b. The identification of the Under Secretary of the Air Force as the Director of the NRO for the reasons stated above.

c. Addition of a requirement for a Deputy Director of the NRO, to be an employee of the CIA. Since CIA people and assets are an integral part of the Program, and since we currently operate under this arrangement, it seems worthwhile to continue the practice.

d. The redraft also includes a repackaging to incorporate the Annex in the basic document and an editing out of some provisions which were based on conditions in 1965 which are no longer considered needed.

If we can reach agreement with the DCI along lines similar to my proposed draft, then I believe having an NSCID is a step forward. If we find we cannot eliminate those provisions of the CIA draft which turn over effective control of the program to the DCI, then I would agree with Dr. Hall that we would be much better off to keep the existing agreement of 1965 and merely have Dr. Schlesinger appointed as ExCom Chairman. I believe that one or two sessions with Dr. Schlesinger and his staff will result in an agreement on all essential points.

John L. Mclucas
NATIONAL SECURITY COUNCIL
INTELLIGENCE DIRECTIVE NO. ____

THE NATIONAL RECONNAISSANCE PROGRAM

1. Satellite and other special reconnaissance of foreign activities is a national responsibility, and must be so organized and managed as to satisfy the intelligence requirements of the National Security Council and the departments and agencies of the Government.

Pursuant to the National Security Act of 1947, as amended, the National Security Council authorizes and directs the establishment of a National Reconnaissance Program, to be managed as prescribed herein. The National Reconnaissance Program has been operating under the Department of Defense/Central Intelligence Agency agreement of August 1965. This directive recognizes, updates, and takes precedence over that agreement.

2. a. The National Reconnaissance Program is hereby established as a single, national program for the development and operation of:

(1) Satellite and airborne systems whose primary mission is the collection of intelligence in response to national
requirements established by the Director of Central Intelligence with the advice of the United States Intelligence Board.

(2) Satellite and airborne systems whose primary mission is to collect intelligence in support of the operational requirements of the military departments, approved by the Director of Central Intelligence with the advice of the United States Intelligence Board, but whose characteristics are such that they should be managed within the NRP.

b. Overall funding guidance for the National Reconnaissance Program will be provided by the Director of Central Intelligence. Funds for this Program will be programmed within the Executive Branch and presented to the appropriate committees of Congress under the title: National Reconnaissance Program. These funds will be programmed, managed, and accounted for separately from those of the Department of Defense and the Central Intelligence Agency, even though for security purposes the funds may be disbursed in the public budgets under other identifications.

c. The National Reconnaissance Program will be supervised by an Executive Committee whose membership will consist of the Director of Central Intelligence as the Chairman and of a Deputy Secretary of Defense.
d. The National Reconnaissance Program shall be responsive directly and solely to the intelligence collection requirements and collection priorities established by the Director of Central Intelligence, with the advice of the United States Intelligence Board.

e. Targeting requirements and priorities for both satellite and aerodynamic vehicles shall be the responsibility of the Director of Central Intelligence, subject to the operational approval of the 40 Committee.

f. The Director of Central Intelligence shall provide security policy guidance for the protection of sensitive National Reconnaissance Program activities.

3. a. The National Reconnaissance Office is established as a separate office. The Under Secretary of the Air Force shall be the Director of the National Reconnaissance Office. The Director shall be recommended jointly by the Secretary of Defense and the Director of Central Intelligence, subject to the approval of the President.

b. A Deputy Director will be selected jointly by the Secretary of Defense and the Director of Central Intelligence. The Deputy Director will be an employee of the Central
Intelligence Agency and shall serve full time in a line position under the Director of the National Reconnaissance Office.

c. The National Reconnaissance Program will be implemented through operating activities in the Department of Defense and in the Central Intelligence Agency.

d. The National Reconnaissance Office will be staffed by personnel drawn from the Department of Defense, the Central Intelligence Agency, and other Government agencies. The National Reconnaissance Office Staff will report to and be responsive to the Director.

4. The Executive Committee will:

a. Review and approve the National Reconnaissance Program and budget.

b. Approve the allocation of responsibilities and corresponding funds for research, development, and system operation.

c. Establish guidelines for collaboration between the various agencies and departments of the Government in matters related to the NRP and for appropriate mutual support.

d. Meet on the call of either member.
5. The Director of the National Reconnaissance Office will:

   a. Have sole responsibility and authority for the management and operational control of all projects of the National Reconnaissance Program, subject to the direction and guidance of the Executive Committee. He shall report to a Deputy Secretary of Defense.

   b. Keep the Executive Committee fully informed on all aspects of the Program.

   c. Prepare the Program and budget and present them to the Executive Committee for approval.

   d. Defend the Program and this budget to the Congress.

   e. Directly control and account for all funds expended in support of the Program.

   f. Sit with the United States Intelligence Board and the Intelligence Resources Advisory Committee for matters affecting the NRP.
NATIONAL SECURITY COUNCIL
INTELLIGENCE DIRECTIVE NO. __

THE NATIONAL RECONNAISSANCE PROGRAM

1. Satellite and other special reconnaissance of foreign activities is a national responsibility, and must be so organized and managed as to aggressively and imaginatively exploit to the maximum, technology, operational resources, and facilities of the government to satisfy the intelligence requirements of the National Security Council and of the several departments and agencies of the government.

Therefore, in the interest of national security and pursuant to the National Security Act of 1947, as amended, the National Security Council authorizes and directs the establishment of a National Reconnaissance Program to be managed as prescribed herein. This directive supersedes the "Agreement for Reorganization of the National Reconnaissance Program" dated 11 August 1965.

2. a. The National Reconnaissance Program is hereby established as a single national program for the development and operation of the intelligence collection activities and systems listed in Annex A.

b. Funds for this Program will be programmed within the Executive Branch and presented to Congress under the title: National Reconnaissance Program. These funds will be programmed, managed and accounted for separately from those of the DOD and CIA, even though for security purposes the funds may be dispersed in the public budgets under another identification.
c. The National Reconnaissance Program will be supervised by an Executive Committee whose membership will consist of the Director of Central Intelligence as Chairman, and a representative of the Secretary of Defense. The Director, NSA, Director, DIA, DD/S&T/CIA and others may be advisors to the Committee as appropriate.

d. The National Reconnaissance Program shall be responsive directly and solely to the intelligence collection requirements and collection priorities established by the Director of Central Intelligence, with the advice of the United States Intelligence Board.

e. Mission initiation, targeting requirements, priorities, and frequency of coverage of denied areas by both satellite and aerodynamic vehicles shall be the responsibility of the Director of Central Intelligence, subject to the operational approval of the 40 Committee.

f. The Director of Central Intelligence will provide security policy guidance for the protection of sensitive National Reconnaissance Program activities.

3. a. The National Reconnaissance Office is established as a separate office and its Director is responsible for directing the National Reconnaissance Program. The National Reconnaissance Office will be located at whatever facility is mutually agreed upon by the Secretary of Defense and the Director of Central Intelligence to be consistent with efficient conduct of its operations and appropriate for desirable security and cover.
b. The Director of the National Reconnaissance Office will be under the supervision of the Director of Central Intelligence acting on behalf of the Executive Committee. The Director of the National Reconnaissance Office will be selected jointly by the Secretary of Defense and the Director of Central Intelligence.

c. The National Reconnaissance Office will implement the Program as assigned, through operating activities in the Department of Defense and in the CIA. The Secretary of Defense and the Director of Central Intelligence will establish separate units within their representative organizations as deemed necessary by the Executive Committee for the research and development, procurement and operation of assigned portions of the National Reconnaissance Program under the direct control of the Director, National Reconnaissance Office. In addition, they will provide such other support to the National Reconnaissance Program as may be required for efficient operation.

d. The National Reconnaissance Office will be staffed by personnel drawn from the Department of Defense, the Central Intelligence Agency, and other government agencies. The National Reconnaissance Office staff will report to and be responsive to the Director of the National Reconnaissance Office.
4. The Executive Committee will:

   a. Review the National Reconnaissance Program content, balance and responsiveness and its budget.

   b. Review the allocation of responsibilities and the corresponding funds for research, development and operation of 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 the Central Intelligence Agency to design and construct new sensors responsive to intelligence requirements specified by the Director of Central Intelligence, with the advice of USIB.

   c. Establish guidelines for collaboration between the various agencies and departments of the government in matters related to the NRP and for mutual support where appropriate.

   d. Meet on the call of any member.

5. The Director of the National Reconnaissance Office will:

   a. Subject to the direction of the Director of Central Intelligence, have sole responsibility for the management and operational control of all projects of the National Reconnaissance Program.

   b. Through appropriate recommendations to the DCI and the Executive Committee ensure that the assignment of responsibilities and funds for research, development and program operation will within available resources exploit the full potentialities of the concerned agencies of the government, and be in accordance with established requirements and priorities.
c. Have full access to information on all programs and activities undertaken as part of or in support of the National Reconnaissance Program.

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

e. Prepare a comprehensive budget for all aspects of the National Reconnaissance Program and defend the budget as required.

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.

g. Sit with the United States Intelligence Board.
ANNEX A

TO

NATIONAL SECURITY COUNCIL INTELLIGENCE DIRECTIVE