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(S) NATIONAL RECONNAISSANCE OFFICE

WASHINGTON, D.C.

OFFICE OF THE SECRETARY OF DEFENSE

9 May 1977

MEMORANDUM FOR THE SECRETARY OF DEFENSE

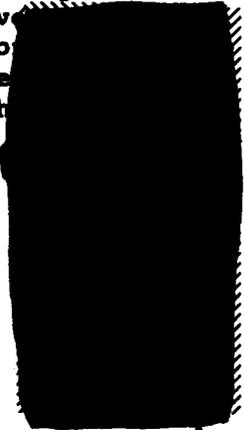
SUBJECT: Reinstatement of NRP Management Concepts - ACTION MEMORANDUM

The attached paper reflects the serious concern I have about the current NRO management environment. I hope the paper will be useful to you in your consideration of the recently completed DOD Intelligence reorganization study.

Although I have not been party to the planning for reorganization of Defense Intelligence, I perceive a great potential impact upon the NRO. Therefore, I have taken the liberty of preparing this summary of my views and recommendations on NRO management concepts. In my judgment there must be a conscious and positive decision soon either to reaffirm the existing formal NRO charter, or to write a new one.

Should your judgment be that times have changed and that the special management arrangements used by the NRO in the past are no longer desirable, I urge most strongly that this judgment be implemented in a way that clearly recognizes the major effect it could have upon our satellite collection programs. If NRO management practices continue to gravitate toward normalization without clear-cut direction, as they have during the past year, the result will be a more costly and less efficient overall reconnaissance program. Our attempts to accommodate piecemeal reorganization this past year have severely strained our capability to perform our job. This is the basis for my urging an early decision on the management philosophy to be used by the NRO.

  
Charles W. Cook  
Acting Director



Attachment  
Paper on NRP  
Management

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MANAGEMENT CONCEPTS  
OF THE  
NATIONAL RECONNAISSANCE PROGRAM

The National Reconnaissance Program has been cited by witting observers as one of the most efficient organizations in the government for managing the development and acquisition of major systems. The success that the program has enjoyed is in large measure attributable to the unique management concepts established in the initial years of the aircraft and satellite reconnaissance business. These concepts are now being challenged through organizational changes which both explicitly and implicitly impact NRO management.

The concept of specialized management for the NRP means:

- A DNRO who is a senior DOD executive, with the confidence of the national leadership.
- An unambiguous mission--the development and operation of all U.S. reconnaissance satellites.
- Requirements for collection and intelligence value assessments are established outside the NRO.
- Overall program effort fenced by means of strong policy, management protection, with the DNRO reporting directly to top management.
- Resources, once decided upon by top management, are not competitive with other Intelligence Community resources.
- Management resources within the NRF are permitted to be flexible (i.e., incrementally funded).
- Manning is held to a bare minimum of very capable people who are assigned numerous responsibilities.
- Outside staff interactions are held to an absolute minimum. Reporting, studies, and furnishing of information are held to a level commensurate with minimum manning and top management approval. Checks and balances for oversight are clearly defined and delineated.

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- The mission and modus operandi are perceived as important and worthy of special treatment, both internally and externally. The bureaucracy is willing to keep "hands off," based on a confidence that top level checks and balances and safeguards are present.

Those who want to change the NRO--to normalize the way we do business--have not in all cases realized that both our mission and our organization are unique and that the management and decision process should be treated accordingly. The principal differences between the NRO and other intelligence programs are the fact that we are not a manpower-intensive program and that we have a relatively small number of very large programs. Management and resource decisions fall essentially into two categories: 1) those decisions which should be made on a routine basis by the DNRO, and 2) the system decisions which by their very nature are so large that regardless of the organizational and staff structure, the decisions will have to be made at the highest levels. Therefore, staff reviews at lower levels can only tend to prolong and confuse the decision process.

During the last four years there have been significant changes, as listed below, which have diluted these management concepts and are resulting in a growing normalization of the NRP. These changes are:

- The establishment of intermediate levels of staff review, which draw upon NRO manpower resources.
- Significant increases in the interfaces with the Congress.
- Decisions made unilaterally by the Congress (such as the HAC direction in FY 1978 to curtail operations); decisions which, heretofore, were made by a committee (the ExCom) with singular responsibility for the proper conduct of the NRP.
- An increase of OMB involvement.
- Demise of the ExCom, the dedicated top-level program review forum for the NRO, the disestablishment of the simple, responsive, working arrangements between the DNRO's staff and the ExCom. The Committee on Foreign Intelligence and later the Policy Review Committee (Intelligence) address the whole range of NRP issues and require an extensive outside staff involvement which is new to the NRP.

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The net result of the above normalization process is a disruption of the DNRO's direct line management authority and responsibility as originally encompassed in the NRO management concept. The impact of this normalization is:

- Additional layers of review, which require significant new NRO Staff effort.
- A proliferation of study activity which requires continuing participation by the NRO Staff and its program offices, neither of which are organized or manned for this requirement.
- A subsequent dilution of the effort which can be devoted to system development and operational management.
- Uncertainties in the decision process, and the introduction of review organizations which have no responsibilities for direct line management.
- A potential for increased costs and longer schedules for deployment of system and technical compromise in their capabilities (due to exposure of the program to a significantly greater number of people).

In summary, the NRO Staff, which has intentionally remained small and selective, is hard pressed to satisfy peripheral requirements while continuing to apply the required level of effort to our primary mission. There is every evidence that the non-mission activities will continue to grow and to demand more NRO Staff effort.

An appropriate vehicle for implementing the changes necessary to reaffirm and restate streamlined management concepts and procedures for the National Reconnaissance Office is through an update and reissue of the NRP Charter.

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