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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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June 17, 1977

Admiral Stansfield Turner
Director of Central Intelligence
Washington, D.C. 20505

Dear Admiral Turner:

In his memorandum of March 1, 1977, to heads of Executive Branch departments and agencies, the President established a limitation on hiring and announced his intention of establishing revised civilian employment ceilings for Executive Branch agencies. The President has now established revised employment ceilings, and the Government-wide limitation on hiring is hereby lifted. This letter informs you of the ceilings for intelligence community agencies not fully accounted for in publicly available tabulations and provides guidance and instructions on carrying them out, consistent with the President's direction.

The civilian employment ceilings for the Central Intelligence Agency, the Intelligence Community Staff, and the signals intelligence activities of the National Security Agency are established as set forth in the enclosure. Employment for other intelligence community activities is included within the revised overall ceilings for the respective agencies. By separate letter, I am also informing the Secretary of Defense of the revised ceilings for the National Security Agency, including communications security activities. Employment is expected to be at or below the ceilings as set forth in the enclosure on the dates specified. Employment throughout the remainder of the fiscal year will be maintained at levels that take into account the ceilings at the end of the year and the interim ceiling noted below. The ceilings should not be circumvented by temporary layoffs of non-permanent employees or other actions to attain ceiling levels applicable only to the date ceilings are effective.

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Recognition should be given to the need for careful planning and sound personnel management to maintain the program priorities established by the President. To accomplish this objective, ways must be found to absorb unavoidable increases in workload. Reductions may be necessary in lower priority services or activities.

The President has stated explicitly that contracting with private firms or individuals will not be used as a device to circumvent the employment ceilings. Such contracting continues to be governed by the policies stated in OMB Circular No. A-76.

In distributing the ceilings within the agencies identified above, consideration should be given to the need to assure that vital and basic services--especially those essential to human life and safety--are not interrupted. Personnel reallocations should be made as necessary to meet the needs of highest priority programs. Attention should also be given to management improvements, more productive workload arrangements, and possible organizational changes.

Necessary reductions should be accomplished through attrition and by not filling vacant positions. Reductions-in-force should be used only if required by programmatic considerations that could be justified apart from this employment reduction process. Where reductions in previously established ceilings result in additional fund availability, such funds should be used only to offset any uncontrollable increases that are within the purposes for which the funds were appropriated by the Congress.

In accordance with section 6 of OMB Bulletin No. 77-7, I ask that you submit to this Office, no later than July 15, 1977, recommendations for specific target levels for March 31, 1978. Once these levels have been agreed upon, they will be treated as interim employment ceilings against which progress in reaching the 1978 year-end ceilings will be measured.

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These ceilings represent the President's determination to constrain the growth of the Federal Government. We are counting on your full support in meeting his objectives.

Sincerely,

Bert Lance
Director

Enclosure

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