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FORM NO. 237 Use previous editions

25X1

6 December 1965

### MEMORANDUM FOR THE RECORD

SUBJECT: PL 89-306

- 1. Following is a brief recap of impressions of what was said by Mr. Edward J. (sounded like...Ruana) of GSA (who substituted for Robert K. Brennan, GSA) at the National Archives Theater on 3 December 1965. Title of the address was Implications of the Brooks Bill (now Public Law 89-306). The occasion was an Interagency Records Administration Conference (IRAC) on the New Government-Wide ADP Coordination Program.
- 2. First was some background information on why the current interest in ADP matters. The most obvious reason being that 3% of the federal budget (30% of the "controllable" amount of the federal budget, i.e., excluding such things as veterans benefits) is now spent on ADP and, the proportion is growing rapidly.
- 3. The Bureau of the Budget Bulletins which have provided policy and guidelines on ADP matters since 1960 were reviewed. Congressional interest was stirred up by the many reports by the Comptroller General on ADP wastes and mismanagement. Proposed legislation was discussed for several years and finally, as a last minute item, the 89th Congress passed the Brooks Bill. It was signed by the President and became PL 89-306. GSA says the timing on this completely surprised them.
- 4. It was emphasized that PL 89-306 did <u>not</u> establish an ADP czar. It does provide for the establishment of a revolving fund which, GSA says it expects, will be used for such things as establishing facilities for cleaning mag tapes for ADPE users, training and furnishing ADPE maintenance personnel and establishing ADP service centers which agencies could use like they now use commercial ADP service centers.
- 5. GSA needs a policy and guidance document for implementing its role under PL 89-306. It expects this to come from BOB. It will also need much money and many people to carry out this role. It is seen to be a slow process; however, the Committee on Government Operations is expected to want periodic progress reports.

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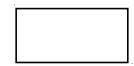


Memorandum for the Record

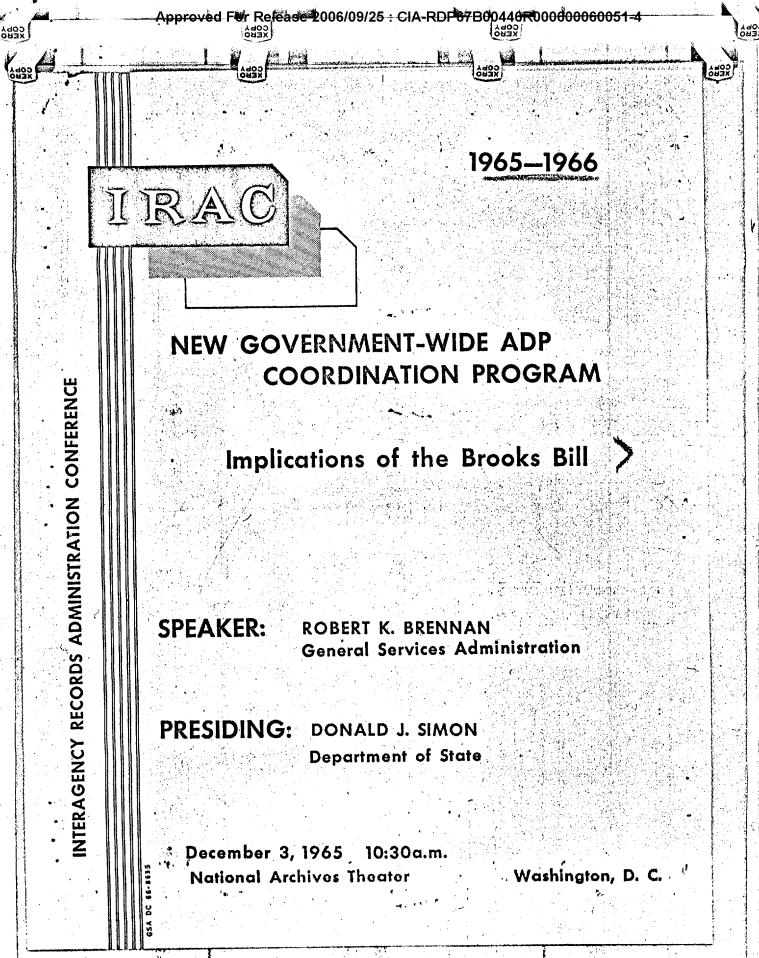
6 December 1965

- 6. GSA has started to work on a master plan, which it says was appropriate even without PL 89-306. It has identified five major areas for GSA activity: (1) Furnish ADP advisory services, (2) provide contracting and procurement services, (3) furnish a control mechanism for ADPE utilization, maintenance, replacement and disposal, (4) develop an ADP Management Information System, and (5) provide for the sharing and exchange of ADP items and expand the service center concept. It has 59 projects identified in the 5 major areas. These specific projects were not identified.
- 7. In concluding it was stated that each agency would continue to identify its ADP requirements, select its own equipment, do its own ADP funding, and rent or purchase its ADP equipment. GSA would act as a "broker." Probably starting with ADP acquisition items in each agency's budget for FY-67, GSA would contact the agency and offer the assistance of its procurement (not ADP) experts.
- 8. Somewhere in the talk the point was made that many small agencies are anxious to use the facilities of a government service center if they can get the kind of service they need. Also, it was mentioned that security does not prohibit all sharing of ADP equipment. The example given was that GSA had no trouble in getting time on the RCA 501 computer at CIA.

	9.	Evidentl	y, GSA i	is not yet	equipped	to fully	explain	how
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to q	uiet all	fears th	at GSA v	vill infrin	ge on the	rights o	of other	agencies.



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1965-1966

# NEW GOVERNMENT-WIDE ADP COORDINATION PROGRAM

Implications of the Brooks Bill

SPEAKER: ROBERT K. BRENNAN

**General Services Administration** 

PRESIDING: DONALD J. SIMON

Department of State

December 3, 1965 10:30a.m. National Archives Theater

Washington, D. C.

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FORM NO. 237 Use previous editions

27 MAR 1965

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT:

Agency Views - Automatic Data Processing Legislation

1. This memorandum contains a recommendation for your approval. The recommendation is stated in paragraph 12.

- 2. The Federal Property and Administrative Services Act of 1949 provides that none of its provisions shall impair the authorities of the Central Intelligence Agency. H.R. 4845 proposes to revoke that provision with respect to ADP equipment.
- 3. H.R. 4845 sets up the Administrator of GSA as the central manager of ADP equipment for Federal agencies and their contractors, to the extent that contractor equipment is carried at the expense of the Government. The Administrator is directed and provided with the authority to purchase, lease, and maintain ADP equipment, and to provide for joint use of equipment and facilities. The Administrator can delegate these authorities to heads of agencies under various circumstances, including for reasons of national defense or national security. Agencies can appeal the Administrator's determinations to BOB.
- 4. Congressman Brooks, who introduced H.R. 4845 and succeeded in obtaining House passage of similar legislation during the 88th Congress, will chair the Government Activities Subcommittee, which will consider the bill on 30 March 1965. Members of the Subcommittee are: Congressmen William S. Moorhead (D., Pa.), David S. King (D., Utah), Dante B. Fascell (D., Fla.), Ogden Reid (R., N.Y.), and Edward J. Gurney (R., Fla.)

- 5. The Bureau of the Budget submitted its views on the bill to Chairman Dawson of the full committee on 18 March 1965. Our views have not been solicited by either BOB or the Committee.
- 6. A brief summary of what transpired on similar legislation during the 88th Congress is helpful in understanding the present situation. First, the Brooks' Subcommittee held only one day of hearings. Only GSA and GAO, both strong supporters of the bill, testified. Almost all Federal agencies took strong exception to that part of the bill which vested almost complete management authority over ADP equipment in GSA. Second, while the bill passed the House, the floor debate was bitter; and one amendment to somewhat dilute GSA's authority was accepted. Third, Senator McClellan, Chairman of the Permanent Subcommittee on Investigations, took note of this furor and decided not to act on the bill until a Presidential task force, which was reporting on the problem, submitted its report.
- 7. The Presidential task force study, the so-called Clewlow Report, was submitted to the Senate and the House on 2 March 1965. While agreeing with H.R. 4845 in part, the Clewlow Report rejects those provisions which propose a change of the management structure over ADP and recommends that heads of agencies retain their present responsibilities and authorities, subject to BOB coordination and management improvement programs.
- 8. The conflict between H.R. 4845 and the BOB prepared Clewlow Report has been played down in the concluding sentence of BOB's report to Chairman Dawson of the full committee as follows:
  --"The Bureau of the Budget recommends that your Committee give favorable consideration to H.R. 4845."
- 9. A DOD report on H.R. 4845 to Chairman Dawson was permitted to clear BOB. Secretary Vance recommended that many of the GSA's authorities and responsibilities be changed from a mandatory to a permissive nature and proposed an amendment which would provide the head of a Federal agency with the authority to determine when ADP should be excluded from the centralized management provisions of the bill for reasons of national defense or national security. Under this amendment, we believe that the DCI could make such a determination and exclude all Agency ADP equipment including that used by Agency contractors at the expense of the Government.

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UNCLASSIFIED CONFIDENTIAL SECRET FORM NO. 237 Use previous editions

(40) \* U.S. GOVERNMENT PRINTING OFFICE: 1961 OF

DATE

27 MAR 1965

Honorable Kermit Gordon Director, Bureau of Budget Washington 25, D. C.

Dear Mr. Gordon:

We wish to submit to Chairman Dawson, of the House Committee on Government Operations, the views of this Agency on H. R. 4845, 89th Congress, a bill "To provide for the economic and efficient purchase, lease, maintenance, operation, and utilization of automatic data processing equipment by Federal departments and agencies."

Enclosed is a proposed report to the Committee on this legislation. Advice is requested as to whether the Bureau of the Budget has objection to the submission of this report.

Sincerely,

SIGNED

John S. Warner Legislative Counsel

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## Approved For Release 2006/09/25 : CIA-RDP67B00446R000600060051-4



#### CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

#### OFFICE OF DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

2 7 MAR 1965

Honorable William L. Dawson Chairman, Committee on Government Operations House of Representatives Washington, D. C. 20515

Dear Mr. Chairman:

We wish to submit the views of this Agency on H.R. 4845, 89th Congress, a bill "To provide for the economic and efficient purchase, lease, maintenance, operation, and utilization of automatic data processing equipment by Federal departments and agencies."

As is the case with many other agencies, the Central Intelligence Agency regards automatic data processing equipment as an invaluable and indispensable aid in the performance of its responsibilities. Such equipment has enhanced our capability to coordinate, correlate, and evaluate the vital and complicated security data and intelligence information which we are receiving in everincreasing quantities.

CIA uses both specialized and general commercial equipment in its automatic data processing program. In both cases, however, utilization is inextricably involved in the security responsibilities of the Director of Central Intelligence. The security responsibilities of the Director of Central Intelligence are imposed by the provisions of the National Security Act of 1947, as amended, and the Central Intelligence Act of 1949, as amended. These respectively provide:

- (a) "That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;"
- (b) "Section 6. In the interests of the security of the foreign intelligence activities of the United States and in order further to implement the proviso of section 102(d)(3) of the National Security Act of 1947 (Public Law 253, Eightieth Congress, first session) that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure, the Agency shall be exempted from the provisions of sections 1 and 2, chapter 795 of the Act of August 28, 1935 (49 Stat. 956, 957; 5 U.S.C. 654), and the provisions of any other law which require the publication or disclosure of the organization, functions, names, official titles, salaries, or numbers of personnel employed by the Agency: Provided, That in furtherance of this section, the Director of the Bureau of the Budget shall make no reports to the Congress in connection with the Agency under section 607, Title VI, chapter 212 of the Act of June 30, 1945, as amended (5 U.S.C. 947 (b))."

We have reviewed very carefully the views of the Department of Defense on H.R. 4845 in their letter to you dated 18 March 1965. We support their suggestions for amendments as set forth on page 4 of the letter. We also support the suggested amendment which appears later in the letter which recommends incorporating, on page 2, line 16 of the bill, the following provision:

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"This section shall not be construed to apply to specially designed automatic data processing equipment for scientific, military or cryptologic uses and the head of a federal agency is authorized to determine when any automatic data processing equipment should be excluded from the provisions of this section for reasons of national defense or national security."

We believe that in order to make very clear that equipment used for intelligence programs would not be contemplated as coming within the purview of the proposed law, the word "intelligence," offset by commas, should be inserted after the word "scientific." With this change, we fully endorse this amendment.

In reviewing the hearings and the floor discussion on H.R. 5171, a similar bill introduced in the 88th Congress, we find numerous references where intelligence and classified activities were used as examples of the type of activities the Administrator would or should exempt from the provisions of the proposed law. H.R. 4845 provides the Administrator with similar authority to grant exemptions from the full scope of the bill.

Nevertheless, we believe that it is extremely important that any law on this subject be clearly worded so that there is no dilution of the authority and responsibility of agency heads, who, by law, are charged with protecting the national security. For this reason, we would appreciate your favorable consideration of our suggestions.

We will be happy to provide any additional information that your Committee may request.

The Bureau of the Budget advised that, from the standpoint of the Administration's program, there is no objection to the submission of this report.

Marshall S. Carter
Lieutenant General, USA
Deputy Director

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