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Copy 1 of 7

16 September 1971

MEMORANDUM FOR: Deputy Director for Science and Technology

SUBJECT: Contracting Support for NASA U-2 Project

REFERENCE: Memorandum for DD/S&T from D/SA dated
4 February 1971; Subject: Same (BYE-9103/71)

1. This memorandum contains a recommendation for the approval of the Deputy Director for Science and Technology. Such recommendation is contained in paragraph 5.

2. Mr. Myron Krieger, Deputy Chief of Unmanned Space Programs, NASA, visited this office on 3 September 1971 to request a continuation of OSA contract support for the NASA Earth Resources Survey Project after the present 30 June 1972 contract termination date. Mr. Krieger cited the ease with which NASA had been able to implement this contract with Lockheed and the rapidity with which the project had been able to go operational. It was his opinion that under NASA contracting procedures he would not have been able to accomplish this task near as efficiently and that there would have been considerable additional expenditures of both time and money.

3. The initial contract was handled by OSA for NASA, as we were told that a multimillion dollar satellite survey program would be ready to be launched in January or February 1972, but that considerable aircraft collected information would have to be obtained prior to the launch. It was the opinion of NASA that they could not get into contract quick enough to produce this information if NASA contracting procedures

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were required. Therefore, in order to further the interests of the government and not insert a delay in the multimillion dollar survey program planned by NASA, the Agency agreed to consummate the initial contract with the request that NASA take over as soon as possible and in no case later than the end of fiscal 72.

4. In the above reference we cited reasons for not providing this support and these reasons continue to be valid. Even though we did accommodate NASA in its initial performance, for very specific reasons, we do not believe OSA "black" contracting support should be continued for this completely unclassified and highly publicized NASA project. Our primary concern is that the confidential funds procedure, which is used for this project, requires that the DCI certify to Congress that funds are expended for confidential purposes. Although we feel the present contract could be defended on the basis of accommodating a high priority need which would save millions of dollars for the government, we also feel continued contracting cannot be justified. The present Agency contracting procedure is vital to our mission and we do not feel it wise to place it in jeopardy to support an unclassified program for another government agency which has had adequate time to implement normal contracting procedures.

5. It is therefore recommended that OSA contracting support should not be extended to NASA, for this project, beyond 30 June 1972.

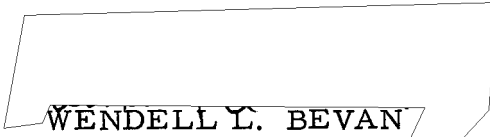
6. In making the above recommendation we have considered two factors related to cover. First, when NASA begins contracting directly through their channels there is a possibility that questions will be raised relative to past sole sources procurement through the Agency. In this matter we feel that we are in a defensible position at this time but that this position deteriorates rapidly if we continue fronting for NASA. The second consideration relates to Gary Powers' request for

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Air Force retirement and the possibility of surfacing the fact that our former pilots have retired from the Air Force and are now working for NASA. While we consider this to be entirely possible, we do not believe it relates to this contract problem. In spite of the problems which may arise because of these last two considerations, our recommendation in paragraph 5 still stands.


WENDELL L. BEVAN
Brigadier General, USAF
Director of Special Activities

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The recommendation contained in paragraph 5 is approved:

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Deputy Director for Science and Technology

22 SEP 1971

Date

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DD/SA/  (16 Sept 71)

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<p>Remarks: I contacted Myron Krieger today and passed this information on to him. He, of course, would have preferred that we do the contracting, as it certainly is much easier for them. Short of actually doing the contracting for him, I offered to help in any way we could and told him that, while it was Carl's decision that we not continue this contracting, it was certainly not of concern to me if NASA wanted to reclaim the decision.</p>			
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