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14 November 1980

MEMORANDUM FOR: Director of Central Intelligence
THROUGH: Deputy Director of Central Intelligence
25X1 FROM:
SA to the DCI for Compartmentation
25X1 SUBJECT: APEX - NFIB Discussion of Start-Up Date

OS REGISTRY
FILE *See 13*

25X1 1. This memorandum discusses setting a new APEX start-up date and is for your background use at the 18 November deliberations leading to your setting that date. It recommends, in paragraph 10, selection of 1 October 1981 for start-up. Paragraph 11 contains a suggested procedure for use at the NFIB meeting.

25X1 2. The data provided by the APEX Steering Group members on the three tasks (completion of manual, access review and APEX indoctrination) for the 18 November discussion was surprising. For example, I had considered the Navy close to ready to go, but Naval procurement people in recent days have presented a less optimistic view. Each of the contributors of data has a rational backup to its submission. COMIREX, DIA, NSA and SAFSS have some form of PERT-like approach. DIA apparently has endeavored to keep all of DoD in step with Navy's new estimate on contracts resulting in the three nine-month estimates in DoD for access review and indoctrination.

25X1 3. The data presented leads to 1 March 1982 as the APEX start-up date. In my view, that wait would be excessive. I have no hard data with which to defend my view, however, and I doubt that NFIB members will willingly cut it back.

25X1 4. You should expect that the DoD organizations will fully adhere to the position that APEX implementation requires new resources and that it cannot be implemented without them. DoD spokesmen will talk of "Phasing APEX," meaning that the rules can stand but, as with present system rules, will not be enforced unless and until added resources are provided.

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5. You should expect at least two issues not directly relevant to the start-up date. COMIREX may raise a desire to keep satellite film in an Operational Subcompartment despite the Final Report decision that film will be Imagery Product. SAFSS, Navy and NSA may be expected to raise a similar desire to modify the Final Report by retaining the ability to compartment codewords and project indicators. ☐

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6. I believe that the APEX rules will have to be relaxed. SAFSS contractors alone, for example, want about \$15 million each year to classify paragraphs. Even if that figure can be reduced, any multi-million dollar outlay to mark paragraphs will be very difficult to defend. The atmosphere at the 18 November meeting may improve if you indicate a willingness to reconsider possible routes for relief of some of the perceived major difficulties in APEX. ISOO and National Archives cooperation would be required for such relief, especially if annual inventories--alleged to consume about two-thirds of the DoD perceived resource impact--are to be relaxed. ☐

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7. The 2nd Parties do not wish to be irrevocably committed to a total APEX system until they see the manuals for the various products and, as relevant, operational compartments. In addition, the ☐ do not think that they will be ready to make such a commitment before 1 July 1981. ☐ is being very quiet but appears to hope for maximum lead time. ☐

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8. Again, I now believe that start-up prior to 1 July 1981 is not possible even with full and enthusiastic support from all parties. A 1 October 1981 start-up date appears to have benefits in the contracting area. Not all contracting officers and like people, however, are agreed that starting with the beginning of a fiscal year is of major significance for converting from existing systems to APEX. The individual contracts must be reviewed, one by one, a process that is not very far along in any agency. Although 1 October holds less magic than I have probably previously claimed, it has benefits as contracts come up for renewal or refunding. ☐

9. Again, given less than total Community support for APEX and the continuing plea of inadequate resources, the Community will never be fully prepared to implement APEX. An arbitrary start-up date continues to be necessary. Any such date will face resistance; if not now, when it approaches. I also believe that if start-up is too long delayed, implementation efforts will tail off until the date is again too close

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for comfort. In sum, no totally satisfactory date falls out of an examination of the state of APEX. Pre-1 July 1981 seems totally unreasonable. A 1 October 1981 date has some advantages for dealing with contractors. (The APEX Central Access Registry (4C) should by then be far enough along to be of limited help.) A 1 March 1982 date seems far enough away to kill APEX. ☐

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10. Recognizing that opposition will be widespread throughout DoD, I recommend 1 October 1981 as the "hard" start-up date. Meeting it will require major efforts by many people, strong support from NFIB principals, affirmation of White House approval and probably relaxation of some of the rules that are perceived to require large additions of resources. ☐

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11. I suggest that on 18 November you proceed as follows:

a. Indicate that you are prepared to either take the lead in, or support, efforts to have ISOO and/or Archives waive some of their costly requirements, e.g., paragraph markings for industry. (If FOIA is amended, perhaps the industry data could influence the rules for government as well?) ☐

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b. Ask if anyone wishes to modify the data contained in the APEX Milestone Chart. ☐

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c. Ask if there are any points to be raised relevant to the establishment of an APEX start-up date and not covered in the chart. (N.B. The question opens up what could be an endless discussion of APEX rules, resource requirements, and decisions contained in the Final Report, various manuals, and other papers already approved. You probably will have to intervene repeatedly to keep the discussion on the target--when does APEX begin. In this discussion, one or more NFIB members may push a concept that a single start-up date is not required; that is, implementation could proceed piecemeal as individual agencies are ready to conduct various portions of their business under APEX. I urge that this approach, leading to chaos, be flatly rejected.) ☐

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d. Ask for an explanation of critical data:

(1) NSA - Can the system description manual completion date be pushed back to 1 April 1981? ☐

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(2) Army, DIA, Navy - Can the nine-month period for access review and indoctrination be reduced to six months? ☐

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e. Ask, perhaps by show of hands, for start-up day preferences:

- 1 July 1981;
- 1 October 1981;
- A date later than 1 October 1981 ☐

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f. Either set 1 October 1981 as the date or announce (with due consideration for what has occurred at the meeting) that you are inclined to set the date at 1 October 1981. Close the discussion. ☐

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