TRANSMITTAL SLIP	DATE 27 March 1986

TO: DDA

ROOM NO. 7D24	BUILDING HQS

REMARKS:

EXO/DDA &u 27/3

ADDA

DDA

DDA REG.

FROM: ADDI

ROOM NO. 7E44	BUILDING HQS	EXTENSION

FORM NO. REPLACES FORM 36-8 (47)

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Central Intelligence Agency
Office of the Deputy Director for Intelligence

27 March 1986

NOTE TO: Director, Information Technology

Bill,

     While I was preparing this memo to
you yesterday, Dick Kerr walked into my
office. When he discovered what I was up
to, he asked that I send him a copy of
this memo for his information. I have
sent a drop copy to Dick at the same time
I forward this to you. I hope this causes
no problems at your end.

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John L. Helgerson
Associate Deputy Director
for Intelligence

Attachment:
  DDI #01602-86, dtd 27 Mar 1986

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DDI #01602-86
27 March 1986

MEMORANDUM FOR: Director of Information Technology

FROM: John L. Helgerson
                  Associate Deputy Director for Intelligence

SUBJECT: DI Questions About IBM 3270 ATs

Bill,

1. The DI has a near-term requirement to purchase as many
as _____ computer workstations for personnel who currently have no   STAT
access to computing at their desks. We understand OIT's
recommendation that we purchase IBM 3270 ATs. We are also aware
that there is a vigorous and competitive market (both in cost and
performance terms) in PC compatibles or clones. We are
attempting to derive a Directorate strategy to go with the IBM or
a clone, and would appreciate your views on the issues raised
below.

2. We understand that IBM 3270 ATs, as configured for NEWS,
cost between $7,000 and $8,000 without applications software. Is
this a hard figure or can it be brought down in time to get more
for our remaining '86 dollars? We believe that we could purchase
IBM-compatible machines from other vendors of equal or superior
performance for around $4,000, and basic, low-cost PCs (a less
attractive option) for under $2,000. The cost savings accruing
from buying "clones" thus is at least _____ and could be   STAT
as much as _____ I am still unclear about whether and   STAT
why it is really necessary to endure the extra cost of the IBM
equipment. If these savings were available to us, we would hope
to provide additional funds to OIT to use on the AIM project,
where performance is stretched beyond the limit and where neither
of us has significant other funds available.

3. As DI officers understand your plans, full SAFE Delivery
2 compatibility will not be available for the IBM machine until
a) the "Virtual CAM Terminal" program is finished, b) a PC-based
word processor is integrated with it and AIM and SAFE, c)
modifications are made to SAFE and other host-based applications
important to the DI to make them operate with the Virtual CAM
terminal, and d) IBM PCs can actually be connected to your
computers as 3270 devices in significant numbers. Are we correct
that those are the necessary steps? If so, when do we

SUBJECT: DI Questions About IBM 3270 ATs

realistically expect all this to be accomplished? What fallback positions do we have if the Virtual CAM Terminal program is delayed or if it proves difficult to convert our existing mainframe applications to work with it?

4. I understand that your motivation for selecting the IBM 3270 AT is to be in the "mainstream" of the commercial world, and I support this goal fully. Yet as my staffers look at the commercial PC situation, they see the 3270 AT as a costly, specialized, hybrid device that has found uncertain commercial acceptance. Instead, the PC marketplace seems to be evolving a mainstream composed of PC clones connected to local area networks. Do you believe our Agency can be confident that if we embrace the 3270 AT, we will not find ourselves outside the mainstream instead of inside it?

5. We recognize that resources will have to be diverted to the job of converting our current Delta Data-based applications to work with the 3270 AT. What opportunity costs are we incurring? Are there alternatives that do not require conversion of existing applications?

6. One possible DI strategy for dealing with an uncertain future is to avoid overcommitting ourselves. For the decision at hand, this would imply these objectives:

-- Minimize the initial investment in PCs, spending money instead on such things as central services upon which our dependence is unambiguous and unlikely to change.

-- Buy relatively basic equipment that can be upgraded as necessary.

7. We are aware that DIA has decided to purchase [   ] compatibles to be its SAFE terminals. We presume you will devise and implement a scheme to make SAFE work with the DIA PCs. Would it be in the best interest of all if a common solution could be found? Should we go the DIA route and buy the [   ] What would be the impact on OIT if we did? What would DI users lose with the [   ] that they would have with the 3270?

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8. We have examined your NEWS initiative for FY '88 in an attempt to understand the marginal costs associated with converting from asynchronous to 3270 host connection. This conversion would be required if the DI were to buy 3270 ATs and exploit them as such. In the case of additional asynchronous connections and neglecting continuing payments on any COMTENs that we do not already fully own, we calculate the marginal cost of the additional connections the DI requires to be essentially

SUBJECT: DI Questions About IBM 3270 ATs

zero. This is because the new PBX can be used as a port
contender; indeed, we understand that using it this way is part
of your strategy for the move to the new building. What is the
marginal cost for 3270 connections? Our estimate, based on the
figures in the NEWS initiative, is $2,000 per device, implying an
additional cost of [   ] for the 3270 AT option compared with
PC compatibles. This is a big expenditure, even if it does not
have to be paid by us in the DI.

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9. I have put these questions on paper to get myself better
informed and to help us in the DI weigh the various
considerations involved in this important decision. If your
office could clarify these points, it would bolster my confidence
that we are indeed making the right decision to go with the 3270,
or, perhaps, that we should explore more completely whether there
are less expensive options available to us. Whatever we do, I
want to be sure OIT and the DI have a common understanding of
where we are going and why as we decide how to spend our scarce
resources.

10. Thanks for your help.

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John L. Helgerson
Associate Deputy Director
for Intelligence

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SUBJECT: DI Questions About IBM 3270 ATs

ADDI/JLHelgerson:sds ☐ (27Mar86)   STAT

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