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June 20, 1983

NSA review
completedMEMORANDUM FOR GENERAL RICHARD G. STILLWELL
Deputy Under Secretary of Defense for PolicyRe: National Security Agency's Proposed NSDD
on Cryptographic Security

You requested our comments concerning a National Security Decision Directive proposed by NSA and discussed at the last IG/CM meeting. After reviewing the proposal and accompanying memorandum we recommend that NSA consider reinstituting a cryptographic security program under its own authority rather than an NSDD. If NSA decides to proceed to the National Security Council, it should supplement its accompanying memorandum to address several factual issues. Lastly, the Intelligence Community may wish to consider establishing parameters for the submission of NSDDs by Community members.

According to its memorandum, NSA operated a cryptographic security program until 1973 which included an indoctrination program, records, signed access statements and aperiodic polygraphy. We have been informed by NSA that authority for the program derived from a National Communications Security Directive issued by the National Security Council. The program was discontinued in 1973 due to the burden created by its administration during the Vietnam War when large numbers of military and other personnel had access to cryptographic information.

These statements raise factual questions that should be addressed by NSA before it submits this proposal to the National Security Council. First, how can a cryptographic security program be sufficiently crucial to the national security to warrant issuance of a separate NSDD if NSA discontinued the program ten years ago due to administrative burden at a time when the need for cryptographic security would have been particularly acute. NSA states in retrospect that terminating the program was a mistake and that it has experienced a twenty percent increase in violations of cryptographic security procedures. NSA's arguments for reinstituting a cryptographic security program would be strengthened by the addition of information addressing the change in circumstances since the program was terminated as well as the increase in violations.

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NSA's memorandum further states that the key element in its security program is aperiodic polygraphy. Because morale problems and duplication could result from a proliferation of polygraph requirements, we recommend that the NSA review existing polygraph requirements to determine whether an additional requirement is warranted for this purpose. NSA may wish to reinstitute a cryptographic security program that includes a strong indoctrination program and all the other elements of its former program except polygraphy, and monitor that program to determine its effectiveness. If, after the program has been operating for a time, NSA determines that polygraphy would increase the program's effectiveness, it could be added. This requirement would be based on NSA's authorities to protect cryptographic materials rather than an NSDD.

In general terms, the advisability of using an NSDD to implement a specific, limited policy goal, such as a cryptographic security program, is questionable. Routine promulgation of NSDDs that address particular segments of a program rather than establishing broad policy direction would necessarily dilute the effectiveness of NSDDs as authoritative policy instruments. Proliferation of these proposals may result in future reluctance to approve NSDDs proposed by Intelligence Community components. In addition, this NSDD could confuse the objectives and authorities of NSDD 84. The Intelligence Community may therefore wish to consider general parameters for the submission of proposed NSDDs to the NSC in order to preserve the effectiveness of NSDDs as policy tools and maintain the credibility of the Intelligence Community in this regard.

In conclusion, we recommend that the NSA reinstitute its cryptographic security program under its own authority. If the NSA decides to go forward in submitting its proposal to the National Security Council, we strongly recommend that NSA strengthen the factual basis for its proposal as discussed above. We also recommend that the Intelligence Community agree on guidelines for the future submission of NSDDs.



MARY C. LAWTON

Counsel for Intelligence Policy
Office of Intelligence Policy and Review

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