

JUL 3 4 199/

ICE OF THE DIRECTOR

### MEMORANDUM FOR SECRETARY OF DEFENSE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Changing the National Reconnaissance Office (NRO) to an Overt Organization

The Fuhrman Panel recommended in March that the "fact of" the NRO be declassified. In accord with your direction at that time, we have been examining the implications of such an action and the specific information that should be released if this step is taken. This letter is a summary of the status of this work, offers my recommendations and seeks your concurrence to proceed further or your redirection.

For background, the Senate Select Committee on Intelligence (SSCI) is pressing for declassification. Their authorization bill contains authorization for the NRO described in the unclassified terms of Executive Order 12333. The Committee wants to authorize the NRO explicitly in the bill and plans to amend their bill in September to reveal the NRO in unclassified terms. However, the SSCI will seek the concurrence of the Administration before taking this step. Under the terms of Senate rules, the Committee would recommend declassification and if the President objected, he would have to state that "grave damage" to the nation would result. Such a certification would be difficult in this case. I believe, that if the Administration does decide to declassify existence of the NRO, it should do so directly and in advance of any congressional action but in cooperation with the Congress.

Based on our review of the classification within the NRO, I recommend the following: (1) Declassify the 'fact of' the NRO; (2) Declassify a brief mission statement for the NRO (See draft at Attachment 1); (3) Declassify the 'fact of' satellite IMINT and SIGINT--including ELINT--but do not acknowledge COMINT or



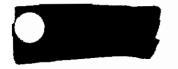
SECRET

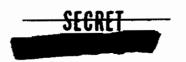


FIS. (We are consulting with the Director of the National Security Agency to finalize a common understanding); (4) Acknowledge the NRO as a joint endeavor of the Director of Central Intelligence (DCI) and the Secretary of Defense (SECDEF) organized as a defense entity which includes both Central Intelligence Agency (CIA) and Department of Defense (DoD) personnel; (5) Formally identify top-level NRO management by name and function--limited to the Director, Hartin C. Faga; the Deputy Director, Jimmie D. Hill; and Deputy Director for Military Support, RADM Dan March. (Other personnel would not be formally acknowledged nor would organization charts be offered, but individuals would be free to disclose their assignment to the NRO under most circumstances.); and, (6) Provide a Pentagon address and establish an NRO Public Affairs Office.

My recommendations attempt to balance concerns about classifying information that realistically cannot be protected, while maintaining an ability to protect matters that must remain classified. Incumbent in this approach are means to enhance the utility of NRO systems for military support, to facilitate appropriate NRO participation in environmental remote sensing activities, and to respond to foreign activities on reconnaissance satellites. At the same time, we would have to continue to protect against further unravelling of our layered security protection, revealing significant information that is now only speculative, and inadvertently advancing an adversary's ability to garner more sensitive facts through legal means or espionage.

It is possible that this initiative would be the first step toward becoming even more open. For example, at some point it might be prudent to allow certain contractors to reveal their relationship with the NRO. Those future decisions will be based, in part, on the results of the initial changes. Our assessment to date--which covers security, domestic and foreign reactions, Freedom Of Information Act requests, NRO management practices, NRO restructure, military support, civil remote sensing, and foreign reconnaissance satellites--is summarized in Attachment 2. If we can persuade Congress to pass an acceptable Freedom of Information Act (FOIA) exemption and take those steps necessary to retain current NRO management practices, we find no show-stoppers.







Fundamentally, I believe these proposals are reasonable and prudent; they should satisfy Congressional concerns, while preserving essential security and improving support to operational military customers.

CALL COLLED

If you concur, I will complete plans to implement the recommended changes and work with your staffs and others to prepare an announcement. I believe that this action changes NSD-30 which President Bush signed in 1989, hence Presidential approval would be needed. The need to obtain this level of Administration approval

make it difficult to meet the Congressional desire to act in September. We are prepared to make every effort to do so.

martin Jega

MARTIN C. FAGA

2 Attachments

1. Draft NRO Mission

2. Implications of the Proposed Changes

- SECRET



r voi with LIED

### SECRET

DRAFT



#### MISSION OF THE NRO

The National Reconnaissance Office (NRO), a joint endeavor between the Department of Defense (DoD) and the Central Intelligence Agency (CIA), was established in the early 1960s to consolidate all United States (US) satellite and assigned aircraft reconnaissance activities. It functions under Executive Order 12333 of December 4, 1981, and other laws, regulations, and directives.

The mission of the NRO is to ensure that the US has the technology and overhead assets needed to acquire superior world-wide intelligence. This intelligence is required to support functions such as monitoring of arms control agreements, indications and warning, and the planning for, and conduct of, military operations. To accomplish its mission, the NRO conducts research and development, acquires and operates overhead systems for the collection of data.

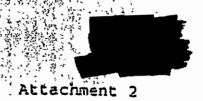
In response to guidance and direction from the Director of Central Intelligence and the Secretary of Defense, the NRO manages the National Reconnaissance Program (NRP), the single US program for the collection of foreign intelligence from satellite and assigned aircraft assets. The NRO responds to tasking from all authorized users through appropriate elements of the Intelligence Community.

DRAFT



CONTROL NO COPIES





#### IMPLICATIONS OF THE PROPOSED CHANGES

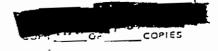
Today virtually all information about the National Reconnaissance Office (NRO) and its programs is classified. The exceptions are the "fact of" photo reconnaissance and certain limited facts about our photo reconnaissance satellites.

The existence of the NRO and some details of its history and mission are essentially open secrets.

We have examined the implications of the proposed changes for any serious negative effects and what might be done to alleviate them. Our assessment follows:

a. Operational Security Policy and Discipline:



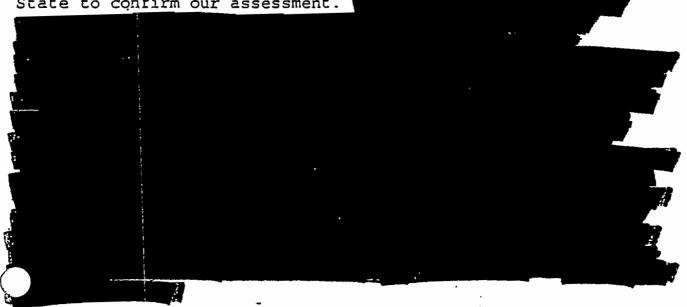


# UNGLASSIFIED



c. Domestic Reaction: The reaction from Congress, the media, and the public is expected to be minimal but largely positive. Concerns will likely involve why these steps were not taken sooner and why we are not releasing more information. We expect to receive a major increase in Freedom of Information Act (FOIA) requests (See paragraph e.)

d. Foreign Reaction: We do not anticipate any significant negative foreign reactions; however, we have asked State to confirm our assessment.



## UNCLASSIFIED



e. FOIA: We foresee a <u>major</u> increase in FOIA requests that will demand--even if a Congressional exemption is granted-an increase in NRO resources devoted to this subject. Legis-lation, comparable to that for CIA, exempting all NRO operational files from FOIA searches is required

Passage of

such legislation is far from assured.

### f. NRO Management Practices:

(1) The effects on NRO management practices-particularly on the relationship to DoD staff and the applicability of DoD Directives--are expected to be significant. As
outlined in the founding documents for the NRO, the DNRO is given
support as required from normal staff elements of the military
departments and agencies of the DoD and the CIA, but these staff
elements do not participate in NRO project matters except as the
DNRO specifically requests.

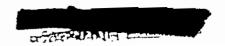
To minimize needless NRO involvement in routine staffing matters, the DNRO recommends that the Secretary of Defense (SECDEF) and the Director of Central Intelligence (DCI) reaffirm this policy.

(2) Once the NRO is announced as an overt DoD entity, the applicability of DoD directives is likely to become

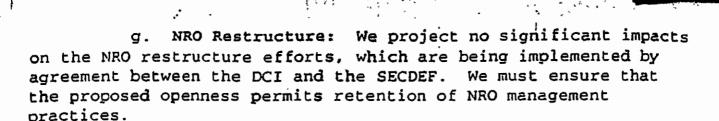


He recommends that the DCI and SECDEF discuss this issue prior to any public announcement to agree on ways to minimize the potential disruption to the NRO's operation.

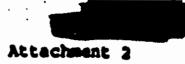




### UNCLASSIFIED



- h. Military Support: Current and potential customers of the NRO, such as the operational military, will benefit in two ways. At the unclassified level there will be a generally greater appreciation of what the NRO is, what it does, and where to obtain more information.
- i. Civil Remote Sensing: Public acknowledgement of the existence of the NRO will enable more open participation in activities related to environmental remote sensing. This capability would benefit the country as well as the NRO.
- j. Foreign Reconnaissance Satellites: Public acknowledgement of the existence of the NRO would enable the NRO
  Director,
  to openly address issues relating to the sale
  or purchase of systems with foreign and private sector representatives.



#### IMPLICATIONS OF THE PROPOSED CHANGES

Today virtually all information about the National Reconnaissance Office (NRO) and its programs is classified. The exceptions are the "fact of" photo reconnaissance and certain limited facts about our photo reconnaissance satellites. This policy is stated in National Security Directive-30 (NSD-30), which also imposes severe restraints on any unclassified discussion of satellite reconnaissance.

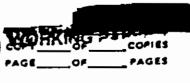
Notwithstanding the NSD-30 restraints, substantial information about the NRO and National Reconnaissance Program (NRP) systems is in the public domain as the result of unauthorized disclosures. The existence of the NRO and some details of its history and mission are essentially open secrets. Fortunately, accurate systems information is less available—

We have examined the implications of the proposed changes for any serious negative effects and what might be done to alleviate them. Our assessment follows:

the national policy prohibiting public discussion of satellite reconnaissance is still valid and must be complied with. (We intend to propose a more liberalized version of this policy to permit approved unclassified discussions for official purposes, but it would not provide any relief for unofficial disclosures or discussions.







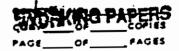
UNCLASSIFIED

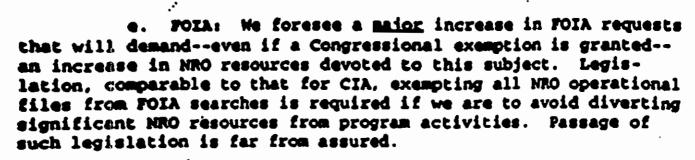
b. Potential Derived Disclosures: There is concern over the potential additional disclosure of the locations of MMO facilities to include contractor locations and ground stations. We do not intend to officially disclose these locations, but some of the information released could conceivably lead to their identity.

c. Domestic Reaction: The reaction from Congress, the media, and the public is expected to be minimal but largely positive. Concerns will likely involve why these steps were not taken sooner and why we are not releasing more information. We expect to receive a major increase in Freedom of Information Act (FOIA) requests (See paragraph e.)

d. Foreign Reaction: We do not anticipate any significant negative foreign reactions; however, we have asked State to confirm our assessment. Our view is based on the generally high degree of foreign acceptance of satellite reconnaissance, and the fact that we are not disclosing significant new data.







### f. MRO Management Practices:

(1) The effects on NRO management practices-particularly on the relationship to DoD staff and the applicability of DoD Directives--are expected to be significant. As
outlined in the founding documents for the NRO, the DNRO is given
support as required from normal staff elements of the military
departments and agencies of the DoD and the CIA, but these staff .
elements do not participate in NRO project matters except as the
DNRO specifically requests.

To minimize needless NRO
involvement in routine staffing matters, the DNRO recommends that
the Secretary of Defense (SECDEF) and the Director of Central
Intelligence (DCI) reaffirm this policy.

(2) Once the NRO is announced as an overt DoD entity, the applicability of DoD directives is likely to become an issue.

He recommends that the DCI and SECDEF discuss this issue prior to any public announcement to agree on ways to minimize the potential disruption to the NRO's operation.







- on the NRO restructure: We project no significant impacts on the NRO restructure efforts, which are being implemented by agreement between the DCI and the SECDEF. We must ensure that the proposed openness permits retention of NRO management practices.
- h. Military Support: Current and potential customers of the NRO, such as the operational military, will benefit in two ways. At the unclassified level there will be a generally greater appreciation of what the NRO is, what it does, and where to obtain more information. Declassification of the "fact of" SIGINT would also enable the preparation of Secret-level information describing NRO systems and the advantages to combat forces.
- i. Civil Remote Sensing: Public acknowledgement of the existence of the NRO will enable more open participation in activities related to environmental remote sensing. This capability would benefit the country as well as the NRO.
- j. Foreign Reconnaissance Satellites: Public acknowledgement of the existence of the NRO would enable the NRO Director, as the DCI's functional manager for foreign reconnaissance satellites, to openly address issues relating to the sale or purchase of systems with foreign and private sector representatives.





