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MEMORANDUM FOR: Vice Admiral J. M. McConnell, Director, National Security Agency/Chief, CSS

SUBJECT: Proposed Declassification of the "Fact of" Overhead SIGINT Collection

In response to NSA's request for a community reaction to the NRO proposal that the "fact of" SIGINT collection from space be declassified, we have looked at possible ramifications from a foreign policy as well as an intelligence perspective. We believe that official confirmation could have undesirable repercussions in those countries where steps are necessary before reaching any decision on the NRO proposal.

In the cases of, we strongly recommend that the US initiate formal consultations on the NRO proposal. As you are aware, the press and public already have concerns about activities and there are aperiodic allegations in the press that the Americans are monitoring communications, that government will be particularly sensitive to unfavorable speculation with regard to the facilities. The consultations could take place in intelligence channels, provided the Department has an opportunity to review the record correspondence in advance.

Of greater concern is the potential fall-out in opinion-leaders, who are mid-level officials today, will constitute the

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leadership with which we must deal over the longer term. It is not unlikely that the press, as well as the opinion-leaders, would link NRO confirmation of SIGINT collection with activities. We believe it is imperative that all concerned agencies review the implications of the NRO proposal for US-political as well as intelligence relations.

The Department is prepared to participate fully in these reviews. My action officer is Joan H. Downs, State Department representative to the National SIGINT Committee, who can be reached on 978-2161(s).

[Signature]
Daniel C. Kuttzer
Acting Assistant Secretary
Bureau of Intelligence and Research