



3 MAR 1966

S-138/ST-1 / Maj Stockdell/86827/md/1 Mar 66 REWRITTEN/Col Stevens/by/50325/2 Mar 66 MEMORANDUM FOR THE ASSISTANT SECRETARY OF THE ARMY (RESEARCH AND DEVELOPMENT)

SUBJECT: Project Chuck Hole (U)

- (U) List of references attached as enclosure 1. L, g
- (S) Project Chuck Hole is the name assigned to the acquisition and exploitation of the Soviet MI-8 HIP helicopter. This helicopter is being acquired and is expected to arrive in the U.S. in May 1966. It was assigned to the Department of the Air Force for exploitation by reference b.
- (S) In late July 1965, CIA informed DIA of the opportunity to procure the Soviet MI-8 helicopter. DIA already knew of Army's interest and willingness to underwrite a large portion of the \$643,000 cost and in accordance with standard practice, solicited statements of interest from the Departments of the Navy and Air Force. Before replies could be received, the Army unilaterally committed the entire purchase price from R&D funds to the procuring agency, GIA, without coordinating with DIA.
- (S) The DIA Foreign Materiel Program (FMP) as covered by DIA Instruction 58-8, reference b., is designed to provide the most efficient exploitation within the Department of Defense by selecting the Military Department best qualified in a given scientific and technical intelligence area and then tasking that Department to exploit collected material in a manner that will satisfy all DOD requirements. As an example, the Department of the Air Force obtained parts of a Soviet SA-2 surfaceto-air missile and forwarded them to the Air Force Foreign Technology Division (FTD) for exploitation. The Army Missile Intelligence Directorate (NID) at Huntsville, Alabama was selected as best qualified to produce intelligence, including

DISTRIBUTION:

1 forward

CLASSIFICATION GROUP TO BE DOWNGRADED TO

ON

1 DDR&E
1 coord cy 1 DIADR TO BE DOWNGRADE TO UNCLASSIFIED ON WARNING MOTICE

SENSITIVE SOURCES AND METHODS INVOLVED

DIAST-1

emploitation, on surface-to-air missiles. Therefore, DIA instructed the Air Force to forward these fragments to MID for emploitation.

- (S) In accordance with standard PMP procedures, DIA proceeded with exploitation plans when successful acquisition of the MI-S appeared to be assured. On 27 August 1965 all Military Departments were advised by reference a, that the Department of the Air Force was assigned responsibility for exploitation of this helicopter and deadlines were established for submission of exploitation requirements and completion of the exploitation plan. Army requirements were submitted to the Air Force prior to the deadline and the Air Force has proceeded with exploitation plane to include participation by Army personnel. On 25 October 1965, the Army and Navy were advised, by reference c., that the Air Force had selected the Aeronautical Systems Division (ASD) at Wright-Patterson AFB. Oblo as their exploiting element. The Army and Navy were later notified that Holloman AFB, New Mexico had been selected as the exploitation site. This site offers the necessary capability to conduct systems and subsystems engineering evaluation, a good location for operational suitability tests which will be conducted by Army personnel, the ability to take on this entra work at the expected time of errival, the proximity of the White Sands facilities for radar and infrared testing, and the necessary security requirements. Altogether, this appears to offer one of the best possible locations for a DOD evaluation.
- 6. (S) When DIA requested, on 13 January 1966, that CIA ship the MI-S to Hollowan AFB, it was learned that the Army had already instructed that it be shipped to Ft. Benning, Georgia for explcitation under direction of the Army thereby disregarding instructions contained in DIA letters of 27 August and 25 October 1965, references a. and c. By certain provisions of public law, one agency (CIA) spending another agency's funds must comply with that agency's (Army) instructions. Therefore, on 21 January and again on 21 February 1966, the Department of the Army (ACSI and AMC) was requested, by references d. and e., to amend their shipping instructions to CIA to comply with the

DIA assignment. To date, this has not been accomplished. ACSI advised, by reference f., that they could not act because this equipment was purchased with R&D funds for R&D purposes and was negotiated by the Army Materiel Command (AMC) and by R&D personnel.

- 7. (S) DOO Directive 5105.28, reference h., defines technical intelligence as covering basic and applied research and research and development related to foreign military weapon systems. In addition, it states that assets in DOD research and development organizations used for the production of technical intelligence are DOD technical intelligence production resources. DOD Directive 5105.21, reference i., also assigns to DIA the responsibility of satisfying the intelligence requirements of the major components of DOD. Since the information desired by the Army does fall under the definition of technical intelligence the rules set forth in references h. and i. apply and exploitation of Project Chuck Hole should be accomplished under the overall management of DIA.
- S. (C) By reference f. the ACSI advised that because of the advanced state of Army exploitation planning little flexibility remains for change. It must be emphasized that any extensive preparations made by the Department of the Army to exploit Project Chuck Hole were made after they had been notified by DIA that Project Chuck Hole would be assigned to the Department of the Air Force for exploitation. Also, the Air Force has made extensive preparation for exploiting this equipment in accordance with instructions contained in references a. and c.
- 9. (C) Assignment to the Air Force was made in accordance with the assignments of scientific and technical intelligence production responsibilities contained in DIA Manual 75-1, reference g. Scientific and technical intelligence production includes the exploitation of foreign material. Assignment of aerodynamic systems, including helicopters, to the Air Force was based on a decision made by DIA in 1963 after lengthy discussions with representatives of the Army, Navy and Air Force. Since that time all serodynamic vehicles of foreign manufacture,

WARNING NOTICE SENSITIVE SOURCES AND METHODS INVOLVED

which have become available for exploitation, have been exploited by the Air Force. DIA Instruction 50-16, reference j., is the implementing document. After receiving reference a., the Department of the Army requested that assignment of Project Chuck Hole be given to the Army instead of the Air Force for exploitation. DIA letter, reference k., acinowledged this request and discussed the basis for leaving the assignment with the Air Force. On 11 February 1966, the Army requested a review of the entire helicopter intelligence production assignment with an expressed desire that responsibility for this area be transferred to the Army. This review is now in process but has not been completed. Therefore, it does not affect the assignment of Project Chuck Hole.

- 10. (5) DDRAE comeans with DIA in requesting action be taken to turn the aircraft over to the Air Force for exploitation. Further, DDR&E will participate in the review of policy on assignment of helicopter intelligence production. However, DDR&E agenes that this review should not interfere with the assignment of Project Chuck Hole as made by DIA.
- II. (S) It is therefore requested that instructions be issued to GIA to ship the MI-8 halicopter to Holloman AFB. New Mexico for exploitation. If shipping commitments already preclude such a change, it is requested that instructions be issued to transchip it from Ft. Benning, Georgia in accordance with the DOB exploitation plan.

STENED

TOTAL F. CALROLL Continue of Suite of Calroll Control Control

l Enclosure List of References (V)

ec: DDESE

WARMING NOTICE SENSTRIVE SOURCES AND METHODS INVOLVED

SECRET

## LIST OF REFERENCES (U)

- a. DIA Letter 8-336/ST-1, dated 27 August 1965.
- b. DIA Instruction 58-8, Foreign Material Program.
- e. DIA Letter 8-429/ST-1, dated 25 October 1965.
- d. DIA Nessage 2236, dated 21 January 1966.
- e. DIA Nessage 4677, dated 21 February 1966.
- f. DA Massage 752563, dated 28 February 1966.
- g. DIA Manual 75-1, Scientific and Technical Intelligence Production.
- h. DOD Directive 5105.28, Defense Intelligence Agency (Technical Intelligence).
- i. DOD Directive 5105.21, Defense Intelligence Agency.
- j. DIA Instruction 58-16. Exploitation of Foreign Aircraft.
- k. DIA Letter S-510/ST-1, datad 2 December 1965.



## National Security Archive,

Suite 701, Gelman Library, The George Washington University,

2130 H Street, NW, Washington, D.C., 20037,

Phone: 202/994-7000, Fax: 202/994-7005, nsarchiv@gwu.edu