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NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

TOP SECRET/SENSITIVE/XGDS-3

May 23, 1975

National Security Decision Memorandum 296

TO:

The Secretary of Defense

The Deputy Secretary of State

The Director, Office of Telecommunications Policy The Administrator, General Services Administration

SUBJECT:

Improved Communications Security

The President has reviewed the status of near term actions DOD has taken in response to NSDM 266 and the alternative longer term solutions proposed. The President concurs in the near term actions already underway to move critical Washington area government circuits to cable and encourages continued efforts to accelerate these steps to completion.

It is recognized that an award may have to be made in GSA's on-going competitive procurement of 166 microwave circuits between New York and Washington. If the Administrator, GSA, concludes that an award should be made, the President desires that the risk of disclosure of the Soviet intercept problem be minimized. Therefore, NSA and OTP should develop criteria permitting maximum utilization of such circuits, while still protecting sensitive information, and GSA should be prepared to cover the cost of any unused circuits.

Prior to making decisions regarding implementation of long term measures, the President has requested additional studies and information. Specifically, a DOD plan for implementing the Washington Protected Communications Zone (PCZ) should be submitted by October 1, 1975. Since broad Soviet intercept of major private firm communications is also a matter of concern, the plan should include costs and schedules of alternatives for securing (a) all commercial links in the PCZ, as well as (b) only the portion of commercial links likely to be leased by the government. A preliminary analysis of the boundaries, structure, and priority of PCZs in other major cities of potential concern should also be completed by this date. DOD should also submit a detailed implementation plan for an Executive Secure Voice Network by September 1, 1975. The plan should include a costs schedule for accelerated introduction of this service, and should propose alternatives for expanding

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Classified by: Henry A. Kissinger

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the service both in and beyond the Washington area and for achieving interoperability with other secure voice systems. Pending completion of these studies and plans, and the issuance of further guidance, the President directs that there be no increase in the level of exposure of sensitive traffic to microwave interception in those cities which are candidates for future designation as PCZs.

The DOD should immediately undertake development of Protected Radio Modulation technology to support the PCZ concept, and should accelerate development of narrow band secure voice terminals and compatible key distribution technology to facilitate implementation of an interim operational ESVN capability as early as mid-1977.

Single channel radio circuits in the Washington PCZ should be secured at the earliest possible time, and DOD should submit an implementation plan for securing single channel satellite links terminating in the Washington PCZ by October 1, 1975.

If it is decided to implement the Washington Microwave Interconnect, the system should be designed to be fully secured at the outset, whether it is government owned or leased.

Approval is deferred on proposed long term measures and developments not addressed in this decision memorandum pending completion of the PCZ and Executive Secure Voice Network implementation plans. However, FY 1976/1977 DOD budget allocation/planning should reflect the possible need for support of concept implementation and additional supporting R&D.

The State Department is requested to review potential political implications of implementing the PCZ concept, and OTP is requested to develop proposals to permit expanded implementation of the PCZ concept with minimal risk of public disclosure of the Soviet intercept problem.

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The Director, Office of Management and Budgets
The Director of Central Intelligence
The Director, National Security Agency