Serial: N 1509

12 MAY 1961

MEMORANDUM FOR THE SECRETARY OF DEFENSE
       (ATTN: General G. B. Erskine, USMC-Ret,
               Assistant to the Secretary of Defense,
               Special Operations)

SUBJECT: Data Required for House Appropriations Committee re EAM and
           ADP Equipment (U)

       1. Reference is made to your memorandum, subject as above, dated
12 April 1961.

       2. The information requested in the reference on EAM and ADP
equipment utilized by the National Security Agency is provided in the
inclosures.

       3. It should be noted that this report reflects only standardized
data processing equipment rented by this Agency. A briefing on
non-standardized equipment procured to meet requirements peculiar to
this Agency and usable only for operations directly related to the
work of this Agency can be presented upon request; no dollar estimate
has been included for requirements of this type. Furthermore, in
accordance with your instructions, no dollar estimate has been included
for punched-card equipment, as this Agency has no equipments with a
monthly rental of $1,000 or more per equipment.

                               /s/ L. H. FROST

                               L. H. FROST
                               Vice Admiral, USN
                               Director

Incls:
   a/s (dup)

cc: DIR ←———————
     AG
     READING FILE
     PROD
     CSEC
     COMP-5
     COMP-6
     COMP-4
     COMP-01

M/R ATTACHED

Serial: N 1509

M/R: 1. By the above-referenced memorandum, OSO/OSD directed NSA to prepare information concerning EAM and ADP equipment included in FY 1962 budget estimates.

2. The information for this report was compiled by COMP-4, based on feeder data provided by CSEC, PROD and other COMP offices. R/D reported that their FY 1962 budget contained no funds for EAM or ADP equipment which would fall within the scope of this report.

3. No dollar total has been shown under purchase of ADP equipment on Table A, in accordance with the decision of the Deputy Director that non-standardized equipment (including associated peripheral equipment) peculiar to NSA should be excluded from this report. At the present time no purchase of standard ADP equipment is contemplated from FY 1962 funds.

4. The dollar estimates shown in this report tie into the recently approved FY 1962 operating budgets for CSEC, PROD and COMP, but do not reflect total rental requirements on the basis that, per instructions, EAM equipment with a basic monthly rental charge of less than a $1,000 per equipment has been excluded.

E. L. G.
E. L. GATEWOOD, COMP-41, 3119, 10 May 61, si

TABLE A

DEPARTMENT OF DEFENSE - NSA

SUMMARY OF FUNDS FOR ADP AND EAM EQUIPMENT
FY 1962 PRESIDENT'S BUDGET
O/M, A APPROPRIATION
($ Thousands)

Punch Card Equipment

Category of Intended Use	Purchase	Rental	Total
	$ -0-	$ -0-	$ -0- *

* Per instructions, dollar requirements are not indicated since NSA has no
- Punch Card Equipment with monthly rental of $1,000 per equipment.

Automatic Data Processing Equipment

Category of Intended Use	Purchase	Rental	Total
Intelligence application	$ -0-	$ 4,001	$ 4,001
Business applications	-0-	102	102
Military Command and Control application	-0-	21	21

TABLE B SUMMARY OF ADP EQUIPMENT

Location and Equipment Type	Type of (1) Application	Date of Last Review of Adequacy of Equipment	Equipment Manufacturers Who Were Invited or Who Proposed Equipment
Naval Security Station			
UNIVAC File Computer	Intelligence	February 1961	Remington Rand, IBM
IBM 1401 System	Military Command and Control	April 1961	IBM
Ft. George G. Meade, Maryland			
IBM 650 System	Intelligence	March 1961	IBM
IBM 705 System	Intelligence	March 1961	IBM
IBM 1401 Systems	Intelligence and Business Applications	March 1961	IBM, RCA
CDC 1604 System	Intelligence	March 1961	Control Data Corporation

(1) Type of Application will be:
   Business
   Scientific, Engineering & R&D
   Intelligence
   Command & Control

GENERAL STATEMENTS REGARDING ADP EQUIPMENT

1. Periodic studies made to review adequacy of equipment:

    The ADP equipments operated by NSA are under constant review by
trained programmers and machine personnel. In addition, the equip-
ments are continually evaluated by management on the basis of the
accuracy and timeliness of their end products.

2. Process followed in selection of ADP equipment for each application
    type:

    Whenever it is deemed practical from a technical and security point
of view, (e.g., equipment used in business applications), NSA follows
the procedure of preparing machine specifications and inviting various
manufacturers to propose equipments which they feel will meet the
Agency's requirements. Selection is then made on the basis of cost
of the equipment, applicability to the work it will be required to perform,
and overall performance and efficiency of the equipment.

    In other cases, however, high security classification makes it
impractical and often impossible for NSA to convey detail of its
application to equipment manufacturers for evaluation. NSA has been
fortunate in being in the forefront in the use and development of
electronic computers for over 15 years and therefore employs personnel
who possess a high measure of technical knowledge. Development of
computer applications within NSA has always been preceded by complete
feasibility and capability studies involving the computer technical
personnel, management analysts and the product consumers. A group of
these qualified persons has the ability to examine and judge the
relative merits of comparable computers. It is the judgment of such
people, rather than the judgment of equipment manufacturers, which is
primary in the selection of ADP equipment at NSA.

TABLE C - PUNCHED CARD EQUIPMENT (with Minimum Basic Monthly Rent of $1,000)

Location and Type of Equipment	Basic Mo. Rent or Maint. Cost if Government Owned	Type of Application	Date of Last Review of Adequacy of Eqt.	Computer Eqt. Mfgrs. Invited to Propose or Who Proposed a Computer System

NOT APPLICABLE, SEE TABLE A

ITEM 4

RCS DD COMP (OT) 6116

GENERAL STATEMENT REGARDING PUNCHED-CARD EQUIPMENT

1. Periodic studies made to review adequacy of equipment.

The same type of review is performed on punched-card equipment as that described for ADP equipment in item 3.

2. Equipment selection process.

Whenever there is a large complex of computer equipments such as that existing at NSA, the area of choice in selecting punched-card equipment is greatly limited. Punched-card equipment is selected which will best furnish the proper input to available ADP equipment. Experience has shown that best results are obtained when supporting punched-card equipment developed by the manufacturer who also developed the ADP equipment, is used with the ADP equipment.