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AS-14 AS-20 13 Sept 47

Disposal of SIGSALY Equipments

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Disposal of SIGSALY EQUIPMENTS

3. AS-20 AS-14 3 Dec. 47

1. Herewith draft of letter to Bell Laboratories. It is based on a draft prepared in AS-80, attached hereto.

2. On his recent visit to Bell Laboratories, Mr. Brann was told by Mr. Blye that the Bell Telephone Laboratories would defray the expense of an engineer's visit to this Agency.

2 incls.
n/c

WILLIAM F. FRIEDMAN
Chief, Communications Research
Ext 215

Added 1 Incl-
draft of letter
to Bell Laboratories

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RESTRICTED
INTEROFFICE ROUTING
AND / OR CARRIER SHEET HQ ASA

MUST REMAIN WITH ATTACHED PAPERS

NUMBER EACH MEMO OR REPLY IN LEFT BORDER, PLACE NAME, RANK AND TELEPHONE NUMBER BOTTOM OF EACH ACTION DRAW LINE UNDER EACH ACTION

ENTER FILE CLASSIFICATION ADJUTANT _____

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TO	FROM	DATE	SUBJECT
1. AS-14 AS-70 AS-62 AS-24	AS-80	12 Aug 48	Storage and Destruction of SIGSALY and Associated Equipments Dr. Sinkov Ext 241
<p>1. Reference is made to:</p> <p style="margin-left: 40px;">a. Disposition form from the Director of Intelligence to the Chief Signal Officer, 6 July 1948, subject as above.</p> <p style="margin-left: 40px;">b. Disposition form from the Chief Signal Officer to the Director of Intelligence, 21 July 1948, file SIGAS-4-1, subject as above.</p> <p>2. The effect of the above-mentioned correspondence is to rescind the previous agreement with the Signal Corps in connection with SIGSALY equipment, and to replace the agreement by that suggested in paragraph 1a. It is desired at this time to outline briefly the procedure to be followed in carrying out the recommended disposition of SIGSALY.</p> <p>3. The first step in the procedure is the deregistration of all nine terminals now stored in the Fourth Wing Basement of Operations "B" Building. This action is the responsibility of Security Division and can be readily accomplished.</p> <p>4. Concurrently, it will be necessary to examine in detail the legal aspects of the contracts with the Bell Telephone Laboratories. This will require a search into the patent aspects as well as a consideration of any leased items involved in the SIGSALY equipment. AS-70 has indicated that Mr. Henry B. Stauffer of the Patents Section will be able to undertake this responsibility and that he will confer with Signal Corps authorities as well as representatives of the Bell Telephone Laboratories.</p> <p>5. The destruction and salvage of the terminals now stored in "B" Building will be carried out by personnel assigned to AS-70. AS-70 has indicated that personnel, who are awaiting clearance, are available and can be assigned to the task of dismantling and salvaging the equipment. These personnel are employed in the cafeteria basement. The SIGSALY material, from which all classified components will be removed, can be carried over a little at a time for dismantling and will be divided into the following separate categories:</p> <p style="margin-left: 40px;">a. Expendable items, which are of use to AS-70, and which can be added to AS-70 supply for future use.</p> <p style="margin-left: 40px;">b. Nonexpendable property which will be assigned to one or another of the branches of AS-70 and for which Property Issue and Turn-In slips will be prepared and sent to AS-62. These items will be listed by complete nomenclature,</p>			

TO	FROM	DATE	SUBJECT
1. AS-14 AS-70 AS-62 AS-24	AS-80	12 Aug 48	Storage and Destruction of SIGSALY and Associated Equipments (contd)
<p>description, unit and quantity on a Turn-In slip and submitted to AS-62. These slips will include the statement "Found on Post. Items removed from a previously registered classified device."</p> <p>c. Unserviceable components which will be reduced to scrap.</p> <p>d. Serviceable items, but of no possible use to the Army Security Agency. These items will be listed by complete nomenclature, description, unit and quantity on a Turn-In slip and submitted to AS-62. These slips will include the statement "Found on Post. Items removed from a previously registered classified device."</p> <p style="text-align: right;"><i>A. Sinkov</i> A. SIMKOV Chief, Security Division</p>			

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AS-20 AS-14 22 Aug 47 Disposal of SIGSALY Equipments

1. 1. Attached hereto are two papers, one from AS-70, the other from AS-60, dealing with the question of the disposition of the SIGSALY equipments now stored in the basement of the 4th Wing, "B" Building. The interest of AS-70 in the matter arises from the needs of that Division for additional space for its own work in the development of electronic analytical equipment as well as for meeting the space requirements for analogues which are to be operated by AS-70 on behalf of AS-90. The interest of AS-60 in the matter arises from a consideration of the difficulties being encountered in the terms of an agreement made between ASA and the Chief Signal Officer in respect to the SIGSALY equipments.

2. a. This equipment represents a large investment by the Government, and every effort should be made to salvage as much as possible of this investment. The terms of the agreement of reference were, in substance, (1) to keep and maintain six SIGSALY equipments so that they "could be reconditioned and utilized in the shortest possible time in the event of a national emergency;" and (2) to destroy the remaining six terminals. The first condition, rehabilitation of six terminals, cannot be met because our engineers assert that it is uneconomical to rehabilitate these equipments either now or at any future date. Further, they assert that it would be cheaper and more practicable, in the event of emergency, to manufacture entirely new equipments either identical in design with the ones used during World War II or of a design incorporating already made or expected advances in the art (AR/GSQ-2).

b. The foregoing conclusions reached by our own engineers should be checked by outside engineers before taking up with outside agencies any questions concerning the disposition of the SIGSALY equipments.

c. If the conclusions reached by our own engineers are corroborated, the Chief Signal Officer should be advised thereof and asked to agree to an abrogation of the original agreement, thus clearing the way for a destruction of all twelve equipments.

d. If the Chief Signal Officer does not concur, then the matter should be brought to the attention of higher authority with

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1. a view to having the Chief, ASA relieved of his responsibility in the matter and having some other agency take it over, including removal of the nine equipments at this station as promptly as practicable. (Following are present locations of the other three terminals: two in Room 1B 1030 in the Pentagon, one at New Cumberland Signal Depot. These should also be released from custody of ASA and at least the one at New Cumberland removed therefrom.)

a. If, however, the Chief Signal Officer should concur in abrogating the agreement, all the equipments should be declared obsolete and their disposition should then be directed. They could be declared surplus property, thereafter to be taken over by WAA and sold, but this course is inadvisable. First, it would require that a complete inventory be made by ASA, a job that would take months and require the services of competent personnel not available for the purpose. Second, it would involve the Government in legal tangles because not all of the components belong to the Government; certain ones are leased from the Bell Laboratories. Third, it would deprive ASA of an excellent source of material utilizable by AS-70, AS-80, and AS-90.

3. It is recommended that the following steps be taken in the disposition of the equipments:

a. Consult first with Bell Laboratories, the original contractor, to ascertain if that firm would be interested in undertaking a contract for rehabilitating six terminal equipments and ascertaining the approximate cost thereof. It is highly probable that this firm would not be at all interested in such a contract and would reach the same conclusion with respect to the practicality and economics of such a proposal as has been reached by our own engineers. This step would at least serve as a confirmation of the opinion of our own engineers and the results thereof could be used in presenting the case to the Chief Signal Officer or higher authority.

b. Assuming that the probable result predicted above turns out to be an actuality, then ask the Bell Laboratories to indicate what components are leased, terminating the lease, and returning those components to the contractor. The indications supplied by the contractor could be checked against the contract more readily in this manner than if our own personnel tried to ascertain the necessary information initially from a study of the contract.

c. Although all cryptographic components have been removed from these equipments, the latter are still classified as SECRET, and this classification should be maintained, in conformity with the G-2 directive on the release of cryptographic principles, because the whole assemblage of non-classified components makes up

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1. a system not solvable by us. A decision to maintain for an indefinite period the present classification of the equipment, and of any patent applications involved therein, should be communicated to Bell Laboratories for their information.

d. As in the case of Converter M-209 and Siphon Device M-138, the SIGSALY equipments should be classified as Military Type Items. This avoids the necessity for declaring them surplus property, for disposal by War Assets Administration. Disposition by destruction can then be authorized.

e. Authority to direct the destruction of classified equipment is granted to the chief of the technical service responsible for ... the design, development, test, or production or procurement of such equipment (see Par. 66a of AR 380-5). At the time the SIGSALY equipments were constructed, the chief of the technical service responsible for the design, development, test, production and procurement of these equipments was the Chief Signal Officer; but at this time the responsibility for the things mentioned above, in connection with "non-integrated" communication security equipments, rests wholly with the Chief, Army Security Agency. Presumably, therefore, the latter could authorize the destruction of these equipments without consulting the Chief Signal Officer. However, in view of the interest of the Chief Signal Officer in these equipments and the existing agreement concerning them, it is recommended that the concurrence of the Chief Signal Officer, as well as that of the Directors of Intelligence, SS & P, and P & O of the War Department General Staff, be obtained in this matter.

f. Having obtained the necessary authorization, destruction should be accomplished in accordance with the provisions of Par. 66b of AR 380-5.

g. In the course of the destruction, it may be found quite practicable to use the equipments as a source of parts and components for AS-70, AS-80, and AS-90. The remainder can then be turned over to the Post Conservation Officer for disposition. While the stripping of these equipments to obtain utilizable items may take some months, it can be accomplished to the advantage of the Government in view of the value of the salvageable items which can easily be obtained in this manner and which are either difficult

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1. or costly to obtain by purchase. It is estimated by AS-70 that the services of two men for a period of six weeks would be required for the purpose of removing utilizable spare parts and stripping the cabinets of such components or items as can readily be used here. This estimate does not include inventoring for accounting purposes.

h. As the stripping progresses, the remaining items should be moved into more compactly occupied space and the space made available thereby be turned over to AS-70 in increments as they become available.

i. At such time as is convenient, the same operations should be conducted with regard to the two terminals at the Pentagon and the one terminal at New Cumberland.

j. The drawings and blueprints pertaining to the equipments, now in about eight 4-drawer filing cases, in the basement of Wing 4, should be stored in the basement of the Cafeteria or shipped to New Cumberland.

k. The screening recommendations have been coordinated with AS-70 and AS-80, and meet with their concurrence.

2 Incls

1. Paper from AS-70
2. Paper from AS-80

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Ext 215