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NATIONAL SECURITY AGENCY
FORT GEORGE G. MEADE, MARYLAND

Serial: N 1519
15 MAY 1961

MEMORANDUM FOR THE ASSISTANT SECRETARY OF DEFENSE
(Installations and Logistics)

SUBJECT: Proposed Addition to the Armed Services Procurement
Regulation(U)

1. In accordance with instructions contained in USCSB Memorandum, COMSEC 13-/13, Subject: Policy on Use of Cryptomaterial by Commercial Contractors, dated 16 February 1961, the guidance in paragraph 2 is proposed for inclusion in the Armed Services Procurement Regulation (ASPR) in an appropriate location.

2. United States commercial contractors engaged in work on classified U. S. Government projects may be authorized, and should be encouraged, to use certain cryptosystems for the encryption of classified information. To the extent that there shall be no interference with the normal supply of cryptomaterial to the departments and agencies of the Government, these contractors may also be authorized to use these cryptosystems at their discretion for encryption of defense-related information for which security is required. Use of cryptomaterial may be authorized for encryption of communications between contractors and the Government, between contractors, between various facilities of a contractor, and between contractors and subcontractors. The appropriate authorities of the contracting government department or agency which authorize the use of the cryptosystem by the contractor shall specify the categories of classified information that may be encrypted, and shall insure that procedures are established to provide for the physical safeguarding of cryptomaterials and for the secure and efficient operation of cryptosystems.

3. The proposed guidance has been discussed informally with Mr. A. Carter, Secretary to the ASPR Committee. Further information about the proposal may be obtained by telephoning Mr. Philip W. Ide, Extension 60677.

A handwritten signature in black ink, appearing to read "L. H. Frost", with a date "1007" written below it.

L. H. FROST
Vice Admiral, USN
Director

Copy Furnished:
General G. B. Erskine, USMC-Ret,
Asst to SecDef, Sp Opns

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M/R: The USCSB paper COMSEC 13-/13, subject: Release of Crypto-material to Commercial Contractors, dated 16 February 1961, placed a requirement on OSD and NSA members to prepare, on the basis of the policy contained in the paper, the necessary guidance to assure inclusion of a proper statement in ASPR. This has been discussed with Mr. A. Carter, secretary of the ASPR committee who suggested the above channel as the best means of bringing the proposed change before the ASPR committee. This has also been discussed with Mr. M. Murphy, CSEC-04, Mr. F. J. McNeeley, CSEC-05, Mrs. Betty Simpson, LOG-6, and Mr. Frank Hardie, SIGPO.



Mr. P.W. Ide/DOC-11/2536st/ 27 Apr 61/df