

Mr. GALLAGHER. What would be your estimate of cost for such a transmission system fully safeguarded against interception?

Mr. GALLATI. We are not able at this time to give you any final costs on that, Mr. Chairman.

Mr. GALLAGHER. Could you give me an estimate for a 40-unit system?

Mr. GALLATI. I can give you estimates of the cost of the units but not of the scrambler, sir.

Mr. GALLAGHER. It is my understanding—and I stand to be corrected—that while a telecommunications system is a relatively simple or inexpensive system to set up, when you start programing, or constructing safeguards the system now starts to multiply from 3 to 10 times. Is that your understanding?

Mr. GALLATI. No; I have not had that understanding exactly.

Mr. GALLAGHER. So we have the benefit of wise counsel, Mr. Baran, is that reasonable?

Mr. BARAN. That seems reasonable. That order of magnitude.

Mr. GALLAGHER. You do not accept that or you do not know who he is?

Mr. LUMBARD. That is right. We do not know who he is or whether he is right.

Mr. GALLAGHER. I know who he is and I know that he has done considerable work on this subject at the Rand Corp., which does some of the big thinking for some of the major problems that confront the military and our Defense Establishment. So he does have some expertise in this department. That is why if you had some information on cost analysis we would be very interested. In fact, I think the Defense Department would find it helpful.

Mr. GALLATI. I do not have it at this time, Mr. Chairman.

Mr. GALLAGHER. This is the key to the whole problem we are faced with.

Mr. GALLATI. I think what I should point out here—and perhaps I am derelict in not having pointed it out before—is that we do have a hierarchy of confidentiality within the system. The Building Block One of which I now speak, which we primarily desire the facsimile devices to support, is a relatively low secrecy type of operation. Perhaps I best might run through the types of things we anticipate having in Building Block One. Let me explain also that it is our concept of development of this system which has been developed at a very deliberate pace, to search out the correct course very carefully through systems analysis procedures and considerable study each step of the way. It is a building block approach and a modular amplification type of building block development. For example, as I said, in Building Block One we will have this facsimile system. The facsimile system is tied in with the other aspects of Building Block One, such as the more rapid response of criminal histories to a fingerprint request, fingerprints having been, in most cases where rapid response is sought, taken as the result of an arrest situation. So we are improving the inhouse turn-around time of the DCI which is now in terms of several days and hopefully it will very shortly be reduced to 1 or 2 days and then to a period of 1 or 2 hours. This is the second module, if you will, of Building Block One.