107TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { 107–219

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2002

SEPTEMBER 26, 2001.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

Mr. GOSS, from the Permanent Select Committee on Intelligence, submitted the following

REPORT

[To accompany H.R. 2883]

[Including cost estimate of the Congressional Budget Office]

The Permanent Select Committee on Intelligence, to whom was referred the bill (H.R. 2883) to authorize appropriations for fiscal year 2002 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Intelligence Authorization Act for Fiscal Year 2002".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2002 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.
(2) The Department of Defense.
(3) The Defense Intelligence Agency.
(4) The National Security Agency.
(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
(6) The Department of State.
(7) The Department of the Treasury.
(8) The Department of Energy.
(9) The Federal Bureau of Investigation.
(10) The National Reconnaissance Office.
(11) The National Imagery and Mapping Agency.
(12) The Coast Guard.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 2002, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the bill H.R. 2883 of the One Hundred Seventh Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the executive branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 2002 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed two percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever the Director exercises the authority granted by this section.

SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of Central Intelligence for fiscal year 2002 the sum of $152,776,000. Within such amount, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for the Advanced Research and Development Committee shall remain available until September 30, 2003.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Intelligence Community Management Account of the Director of Central Intelligence are authorized 313 full-time personnel as of September 30, 2002. Personnel serving in such elements may be permanent employees of the Intelligence Community Management

Account or personnel detailed from other elements of the United States Government.

(c) CLASSIFIED AUTHORIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated for the Intelligence Community Management Account by subsection (a), there are also authorized to be appropriated for the Intelligence Community Management Account for fiscal year 2002 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts shall remain available until September 30, 2003.

(2) AUTHORIZATION OF PERSONNEL.—In addition to the personnel authorized by subsection (b) for elements of the Intelligence Community Management Account as of September 30, 2002, there are hereby authorized such additional personnel for such elements as of that date as are specified in the classified Schedule of Authorizations.

(d) REIMBURSEMENT.—Except as provided in section 113 of the National Security Act of 1947 (50 U.S.C. 404h), during fiscal year 2002, any officer or employee of the United States or a member of the Armed Forces who is detailed to the staff of the Intelligence Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a nonreimbursable basis for a period not to exceed one year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) NATIONAL DRUG INTELLIGENCE CENTER.—

(1) IN GENERAL.—Of the amount authorized to be appropriated in subsection (a), $27,000,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, test, and evaluation purposes shall remain available until September 30, 2003, and funds provided for procurement purposes shall remain available until September 30, 2004.

(2) TRANSFER OF FUNDS.—The Director of Central Intelligence shall transfer to the Attorney General funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for the activities of the National Drug Intelligence Center.

(3) LIMITATION.—Amounts available for the National Drug Intelligence Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403–3(d)(1)).

(4) AUTHORITY.—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the National Drug Intelligence Center.

SEC. 105. CODIFICATION OF THE COAST GUARD AS AN ELEMENT OF THE INTELLIGENCE COMMUNITY.

Section 3(4)(H) of the National Security Act of 1947 (50 U.S.C. 401a(4)(H) is amended—

(1) by striking "and" before "the Department of Energy"; and

(2) by inserting ", and the Coast Guard" before the semicolon.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 2002 the sum of $212,000,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

SEC. 303. SENSE OF THE CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING.

It is the sense of the Congress that the Director of Central Intelligence should continue to direct that elements of the intelligence community, whenever compatible with the national security interests of the United States and consistent with operational and security concerns related to the conduct of intelligence activities, and where fiscally sound, should competitively award contracts in a manner that maximizes the procurement of products properly designated as having been made in the United States.

SEC. 304. REQUIREMENTS FOR LODGING ALLOWANCES IN INTELLIGENCE COMMUNITY ASSIGNMENT PROGRAM BENEFITS.

Section 113(b) of the National Security Act of 1947 (50 U.S.C. 404(h)) is amended—

(1) by inserting "(1)" before "An employee"; and

(2) by adding at the end the following new paragraph:

"(2) The head of an agency of an employee detailed under subsection (a) may pay a lodging allowance for the employee subject to the following conditions:

"(A) The allowance shall be the lesser of the cost of the lodging or a maximum amount payable for the lodging as established jointly by the Director of Central Intelligence and—

"(i) with respect to detailed employees of the Department of Defense, the Secretary of Defense; and

"(ii) with respect to detailed employees of other agencies and departments, the head of such agency or department.

"(B) The detailed employee maintains a primary residence for the employee's immediate family in the local commuting area of the parent agency duty station from which the employee regularly commuted to such duty station before the detail.

"(C) The lodging is within a reasonable proximity of the host agency duty station.

"(D) The distance between the detailed employee's parent agency duty station and the host agency duty station is greater than 20 miles.

"(E) The distance between the detailed employee's primary residence and the host agency duty station is 10 miles greater than the distance between such primary residence and the employees parent duty station.

"(F) The rate of pay applicable to the detailed employee does not exceed the rate of basic pay for grade GS–15 of the General Schedule.".

SEC. 305. TECHNICAL AMENDMENT.

Section 106(b)(2)(C) of the National Security Act of 1947 (50 U.S.C. 403–6(b)(2)(C)) is amended by striking "Nonproliferation and National Security" and inserting "Intelligence and the Director of the Office of Counterintelligence".

SEC. 306. COMMISSION ON SEPTEMBER 11 GOVERNMENT PREPAREDNESS AND PERFORMANCE.

(a) ESTABLISHMENT.—There is established a commission to be known as the "Commission on Preparedness and Performance of the Federal Government for the September 11 Acts of Terrorism" (in this section referred to as the "Commission").

(b) DUTY.—

(1) ASSESSMENT OF AGENCY PERFORMANCE.—The Commission shall, with respect to the acts of terrorism committed against the United States on September 11, 2001, assess the performance of those agencies and departments of the United States charged with the responsibility to prevent, prepare for, or respond to acts of terrorism up to and including that date. For purposes of the preceding sentence, those agencies and departments include—

(A) the Department of Defense (including the intelligence elements of the Department),

(B) the Department of Justice (including the intelligence elements of the Department),

(C) the Department of State (including the intelligence elements of the Department),

(D) the Department of the Transportation (including the intelligence elements of the Department),

(E) the Department of the Treasury (including the intelligence elements of the Department),

(F) the Central Intelligence Agency, and

(G) the Federal Emergency Management Agency.

(2) REPORT.—The Commission shall submit the report described in subsection (g).

(d) MEMBERSHIP.—

(1) NUMBER AND APPOINTMENT.—The Commission shall be composed of 10 members appointed as follows:

(A) The President shall appoint 4 members.

(B) The Speaker of the House of Representatives shall appoint 2 members.

(C) The majority leader of the Senate shall appoint 2 members.

(D) The minority leader of the House of Representatives shall appoint 1 member.

(E) The minority leader of the Senate shall appoint 1 member.

(2) TERMS.—

(A) IN GENERAL.—Each member shall be appointed for the life of the Commission.

(B) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(3) BASIC PAY.—

(A) RATES OF PAY.—Members shall serve without pay.

(B) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with applicable provisions under subchapter I of chapter 57 of title 5, United States Code.

(4) QUORUM.—6 members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(5) CHAIRPERSON.—The Chairperson of the Commission shall be elected by the members.

(e) DIRECTOR AND STAFF OF COMMISSION.—

(1) DIRECTOR.—The Commission shall have a Director who shall be appointed by the Chairperson.

(2) STAFF.—The Chairperson may appoint and fix the pay of additional personnel as the Director considers appropriate.

(3) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Commission shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay for GS–15 of the General Schedule.

(4) EXPERTS AND CONSULTANTS.—With the approval of the Chairperson, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay for GS–15 of the General Schedule.

(5) STAFF OF FEDERAL AGENCIES.—Upon request of the Chairperson, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this section.

(f) POWERS OF COMMISSION.—

(1) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this section, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(2) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this section.

(3) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information, including classified information, necessary to enable it to carry out this Act. Upon request of the Chairperson of the Commission, the head of that department or agency shall furnish that information to the Commission.

(4) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(5) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this section.

(6) SUBPOENA POWER.—

(A) IN GENERAL.—The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any matter under investigation by the Commission. The attendance of witnesses and the production of evidence may be required from any place within the United States at any designated place of hearing within the United States.

(B) FAILURE TO OBEY A SUBPOENA.—If a person refuses to obey a subpoena issued under subparagraph (A), the Commission may apply to a United States district court for an order requiring that person to appear before the Commission to give testimony, produce evidence, or both, relating to the matter under investigation. The application may be made within the judicial district where the hearing is conducted or where that person is found, resides, or transacts business. Any failure to obey the order of the court may be punished by the court as civil contempt.

(C) SERVICE OF SUBPOENAS.—The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(D) SERVICE OF PROCESS.—All process of any court to which application is made under subparagraph (B) may be served in the judicial district in which the person required to be served resides or may be found.

(E) IMMUNITY.—Except as provided in this paragraph, a person may not be excused from testifying or from producing evidence pursuant to a subpoena on the ground that the testimony or evidence required by the subpoena may tend to incriminate or subject that person to criminal prosecution. A person, after having claimed the privilege against self-incrimination, may not be criminally prosecuted by reason of any transaction, matter, or thing which that person is compelled to testify about or produce evidence relating to, except that the person may be prosecuted for perjury committed during the testimony or made in the evidence.

(7) CONTRACT AUTHORITY.—The Commission may contract with and compensate government and private agencies or persons for supplies and services, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(g) REPORT.—The Commission shall transmit a report to the President and the Congress not later than 6 months after the date by which the Director has been appointed by the Chairperson. The report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for legislation and administrative actions the Commission considers appropriate.

(h) TERMINATION.—The Commission shall terminate on 30 days after submitting the report required under subsection (g).

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. MODIFICATIONS TO CENTRAL INTELLIGENCE AGENCY'S CENTRAL SERVICES PROGRAM.

Section 21 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403u) is amended as follows:

(1) Subsection (g)(1) is amended—

(A) by striking "December" and inserting "January"; and

(B) by striking "conduct" and inserting "complete".

(2) Subsection (h) is amended—

(A) by striking paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(B) in paragraph (1), as so redesignated, by striking "(3)" and inserting "(2)"; and

(C) in paragraph (2), as so redesignated, by striking "(2)" and inserting "(1)".

SEC. 402. EXTENSION OF CIA VOLUNTARY SEPARATION PAY ACT.

(a) EXTENSION OF AUTHORITY.—Section 2(f) of the Central Intelligence Agency Voluntary Separation Pay Act (Public Law 103–36, 50 U.S.C. 403–4 note) is amended by striking "September 30, 2002" and inserting "September 30, 2003".

(b) REMITTANCE OF FUNDS.—Section 2(i) of that Act is amended by striking "or 2002" and inserting "2002, or 2003".

SEC. 403. GUIDELINES FOR RECRUITMENT OF CERTAIN FOREIGN ASSETS.

Recognizing dissatisfaction with the provisions of the guidelines of the Central Intelligence Agency (promulgated in 1995) for handling cases involving foreign assets or sources with human rights concerns, the Director of Central Intelligence shall—

(1) rescind the provisions of the guidelines for handling such cases; and

(2) provide for provisions for handling such cases that more appropriately weigh and incentivize risks to achieve successful operations.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. AUTHORITY TO PURCHASE ITEMS OF NOMINAL VALUE FOR RECRUITMENT PURPOSES.

(a) AUTHORITY.—Section 422 of title 10, United States Code, is amended by adding at the end the following:

"(b) PROMOTIONAL ITEMS FOR RECRUITMENT PURPOSES.—The Secretary of Defense may use funds available for an intelligence element of the Department of Defense to purchase promotional items of nominal value for use in the recruitment of individuals for employment by that element.".

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 422. Use of funds for certain incidental purposes".

(2) Such section is further amended by inserting at the beginning of the text of the section the following: "(a) COUNTERINTELLIGENCE OFFICIAL RECEPTION AND REPRESENTATION EXPENSES.—".

(3) The item relating to such section in the table of sections at the beginning of subchapter I of chapter 21 of such title is amended to read as follows:

"422. Use of funds for certain incidental purposes.".

SEC. 502. FUNDING FOR INFRASTRUCTURE AND QUALITY-OF-LIFE IMPROVEMENTS AT MENWITH HILL AND BAD AIBLING STATIONS.

Section 506(b) of the Intelligence Authorization Act for Fiscal Year 1996 (Public Law 104–93; 109 Stat. 974), as amended by section 502 of the Intelligence Authorization Act for Fiscal Year 1998 (Public Law 105–107; 111 Stat. 2262) and by section 502 of the Intelligence Authorization Act for Fiscal Year 2000 (Public Law 106–120; 113 Stat. 1619), is further amended by striking "for fiscal years 2000 and 2001" and inserting "for fiscal years 2002 and 2003".

SEC. 503. CONTINUATION OF JOINT INTERAGENCY TASK FORCE AT CURRENT LOCATIONS IN FLORIDA AND CALIFORNIA.

(a) MAIN LOCATION.—The Secretary of Defense shall continue to maintain the Joint Interagency Task Force at Key West, Florida, with the responsibility for coordinating drug interdiction efforts in the Western Hemisphere and with such additional responsibilities regarding worldwide intelligence for counterdrug operations as the Secretary may assign.

(b) COMPONENT LOCATION.—The Secretary of Defense shall convert the Joint Interagency Task Force located at Alameda, California, to be a component site of the main location specified in subsection (a).

(c) DIRECTOR.—The Director of the Joint Interagency Task Force shall be a flag officer of the Coast Guard.

SEC. 504. MODIFICATION OF AUTHORITIES RELATING TO INTERDICTION OF AIRCRAFT ENGAGED IN ILLICIT DRUG TRAFFICKING.

(a) CERTIFICATION REQUIRED FOR IMMUNITY.—Subsection (a)(2) of section 1012 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2837; 22 U.S.C. 2291–4) is amended by striking ", before the interdiction occurs, has determined" and inserting "has, during the 12-month period ending on the date of the interdiction, certified to Congress".

(b) ANNUAL REPORTS.—That section is further amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) ANNUAL REPORTS.—(1) Not later than February 1 each year, the President shall submit to Congress a report on the assistance provided under subsection (b) during the preceding calendar year. Each report shall include for the calendar year covered by such report the following:

"(A) A list specifying each country for which a certification referred to in subsection (a)(2) was in effect for purposes of that subsection during any portion of such calendar year, including the nature of the illicit drug trafficking threat to each such country.

"(B) A detailed explanation of the procedures referred to in subsection (a)(2)(B) in effect for each country listed under subparagraph (A), including any training and other mechanisms in place to ensure adherence to such procedures.

"(C) A complete description of any assistance provided under subsection (b).

"(D) A summary description of the aircraft interception activity for which the United States Government provided any form of assistance under subsection (b).

"(2) Each report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.".

SEC. 505. UNDERGRADUATE TRAINING PROGRAM FOR EMPLOYEES OF THE NATIONAL IMAGERY AND MAPPING AGENCY.

(a) AUTHORITY TO CARRY OUT TRAINING PROGRAM.—Subchapter III of chapter 22 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 462. Financial assistance to certain employees in acquisition of critical skills

"The Secretary of Defense may establish an undergraduate training program with respect to civilian employees of the National Imagery and Mapping Agency that is similar in purpose, conditions, content, and administration to the program established by the Secretary of Defense under section 16 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) for civilian employees of the National Security Agency.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

"462. Financial assistance to certain employees in acquisition of critical skills.".

SEC. 506. TECHNICAL AMENDMENTS.

Section 2555 of title 10, United States Code, as added by section 1203(a) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398; 114 Stat. 1654, 1654A–324), is amended—

(1) in subsection (a)—

(A) by striking "CONVEY OR" in the subsection heading and inserting "TRANSFER TITLE TO OR OTHERWISE";

(B) in paragraph (1)—

(i) by striking "convey" and inserting "transfer title"; and

(ii) by striking "and" after "equipment;";

(C) by striking the period at the end of paragraph (2) and inserting "; and"; and

(D) by adding at the end the following new paragraph:

"(3) inspect, test, maintain, repair, or replace any such equipment."; and

(2) in subsection (b)—

(A) by striking "conveyed or otherwise provided" and inserting "provided to a foreign government";

(B) by inserting "and" at the end of paragraph (1);

(C) by striking "; and" at the end of paragraph (2) and inserting a period; and

(D) by striking paragraph (3).

PURPOSE

The bill would:

(1) Authorize appropriations for fiscal year 2002 for (a) the intelligence and intelligence-related activities of the U.S. Government, (b) the Community Management Account, and (c) the Central Intelligence Agency Retirement and Disability System;

(2) Authorize the personnel ceilings on September 30, 2002 for the intelligence and intelligence-related activities of the U.S. Government and permit the Director of Central Intelligence to authorize personnel ceilings in Fiscal Year 2002 for any intelligence element up to two percent above the author-

ized levels, with the approval of the Director of the Office of Management and Budget;

(3) Authorize $27 million for the National Drug Intelligence Center in Johnstown, Pennsylvania;

(4) Establishes the United States Coast Guard as a National Foreign Intelligence Program (NFIP) agency under the National Security Act;

(5) Creates an independent commission to review the performance of those federal public safety, law enforcement, and national security departments and agencies responsible for preventing and/or responding to acts of terrorism in the period prior to and including September 11, 2001;

(6) Rescinds the 1995 guidelines on recruitment of foreign assets and sources;

(7) Supports confirmation of Joint Inter-Agency Task Force operations and facilities at current locations in California and Florida;

(8) Amends current law relating to official immunity for employees and agents of the United States and foreign countries engaged in the interdiction of aircraft used in illicit drug trafficking.

OVERALL PERSPECTIVE ON THE INTELLIGENCE BUDGET AND COMMITTEE INTENT

The classified Annex to this public report includes the classified Schedule of Authorizations and its associated language. The committee views the classified Annex as an integral part of this legislation. The classified Annex contains a thorough discussion of all budget issues considered by the committee, which underlies the funding authorization found in the Schedule of Authorizations. The Committee intends that all intelligence programs and intelligence-related activities discussed in the classified Annex to this report be conducted in accord with the guidance and limitations set forth as associate language therein. The classified Schedule is incorporated directly into this legislation by virtue of section 102 of the bill. The classified Annex is available for review by all Members of the House of Representatives, subject to the requirements of clause 13 of Rule XXIV of the House.

SCOPE OF COMMITTEE REVIEW

U.S. intelligence and intelligence-related activities under the jurisdiction of the committee include the National Foreign Intelligence Program (NFIP), and the Tactical Intelligence and Related Activities (TIARA) and the Joint Military Intelligence Program (JMIP) of the Department of Defense.

The NFIP consists of all programs of the Central Intelligence Agency, as well as those national foreign intelligence and/or counterintelligence programs conducted by: (1) the Department of Defense; (2) the Defense Intelligence Agency; (3) the National Security Agency; (4) the Departments of the Army, Navy, and Air Force; (5) the Department of State; (6) the Department of the Treasury; (7) the Department of Energy; (8) the Federal Bureau of Investigation; (9) the National Reconnaissance Office; (10) the National Imagery and Mapping Agency.

The Department of Defense TIARA is a diverse array of reconnaissance and target acquisition programs that are a functional part of the basic military force structure and provide direct information support to military operations. TIARA, as defined by the Joint Chiefs of Staff and the Secretary of Defense, include those military intelligence activities outside the General Defense Intelligence Program that respond to the needs of military commanders for operational support information, as well as to national command, control, and intelligence requirements. The Armed Services Committee in the House Committee in the House of Representatives has joint oversight and authorizing jurisdiction of the programs compromising TIARA.

The JMIP was established in 1995 to provide integrated program management of defense intelligence elements that support defense-wide or theater-level consumers. Included within JMIP are aggregations created for management efficiency and characterized by similarity, either in intelligence discipline (e.g., Signals Intelligence (SIGINT), Imagery Intelligence (IMINT)), or function (e.g., satellite support, aerial reconnaissance). The following aggregations are included in the JMIP: (1) the Defense Cryptologic Program (DCP); (2) the Defense Imagery and Mapping Agency (DIMAP); (3) the Defense General Intelligence Applications Program (DGIAP), which itself includes (a) the Defense Airborne Reconnaissance Program (DARP), (b) the Defense Intelligence Tactical Program (DITP), (c) the Defense Intelligence Special Technologies Program (DISTP), (d) the Defense Intelligence Counterdrug Program (DICP), and (e) the Defense Space Reconnaissance Program (DSRP). As with TIARA programs, the Armed Services Committee in the House of Representatives has joint oversight and authorizing jurisdiction of the programs compromising the JMIP.

Overall Committee Findings and Recommendations

The Committee completed its review of the President's fiscal year 2002 budget, carrying out its annual responsibility to prepare an authorization based on close examination of intelligence programs and proposed expenditures. The review reflected the Committee's continuing belief that intelligence activities must be examined by function, as well as by program. Due to the late delivery of the details of the President's amended budget request and to circumstances caused by the deplorable terrorist attacks against the United States on September 11, 2001, the Committee conducted only a limited number of budget-related hearings. The Committee's membership also had numerous discussions and briefings with the White House and the Intelligence Community leadership to examine the views and plans for the future of intelligence and the Intelligence Community. There were, in addition, numerous individual briefings to Members and over one hundred staff briefings on programs, specific activities, and budget requests.

In the classified schedule of authorizations and the accompanying explanatory language, the Committee has addressed numerous specific matters related to the fiscal year 2002 budget. In the following section, the Committee addresses many issues that it believes are particularly important although there may have been no direct budgetary action. It should be noted that, because of the extraordinary circumstances with respect to the national security

environment in the aftermath of the terrorist attacks, the Committee made a determination to make very few modifications to the President's request. Those changes that are made primarily are focused on responding to deficiencies that could quickly impact the Community's ability to provide warning against future such attacks.

Taken as a whole, the Committee's budgetary actions and general provisions reflect the Committee's concern that the United States has placed, and continues to place, undue risks on its national security interests by not redressing the many critical problems facing the Intelligence Community. Many of these are enduring issues that the Committee has repeatedly highlighted in the past. However, the ominous message sent by the terrorist actions in New York and Washington D.C. demonstrates an urgency to correct these Intelligence Community deficiencies like no other time in our Nation's history.

The United States cannot continue to use the same processes and priorities to build the intelligence budgets of the 21st century that were used in the Cold War. American interests have changed, new threats, particularly the elusive and unrestricted terrorist threat, have evolved and the priorities placed on intelligence and the role of the Intelligence Community have grown. For the President and senior policymakers, intelligence often forms the basis for key foreign policy strategies and decisions, and can provide insights as to the effect of such decisions. At its best, intelligence provides key indications and warning (I&W) information that can direct national command authority attention to issues and areas before crises occur. When fully successful, such intelligence support allows for appropriate actions to provide regional stability or, hopefully, ward off an attack or larger conflict. Yet, despite the Committee's repeated direction to more broadly provide this information on the myriad threats world-wide, the nation's intelligence resources remain highly focused on only the highest priority military support issues and nations, leaving few resources for the critical I&W functions, especially against transnational, non-nation state actors or against areas of the world that could erupt overnight.

For the military, intelligence is now the basis for, and organic to everything it does. HUMINT and SIGINT, in particular, provide direct and immediate threat data to personnel engaged in activities that risk their lives on a daily basis: our ground forces in Kosovo, our pilots conducting Northern and Southern Watch missions in Iraq, our forces on the border between North and South Korea, our forces engaged in counternarcotics operations in Latin America, and our Special Operations personnel who may have to enter a country unannounced and undetected, and require the on-scene intelligence officer to give them "ground truth."

It must be pointed out that the requirements for intelligence support have grown at a rapid pace, making the relatively status quo intelligence budget more and more inadequate. Increasingly, existing resources are being siphoned off to meet day-to-day tactical requirements. Global coverage and predictive, strategic intelligence have suffered as a result, contributing to shortfalls such as the lack of warning of recent nuclear tests, the lack of information on the New York and Washington D.C. terrorist attacks, the inability to monitor key facilities suspected of producing weapons of mass de-

struction, the bombing of the Chinese Embassy in Belgrade, and the shortage of ISR assets around the world.

Intelligence should be the first line of defense, yet, it is not treated as such. Remedying this situation, however, is not a task that Congress can, or should, take on alone. Along with a new focus on intelligence budgeting and conduct by the Administration, there also must be a Community-wide effort actually to work as a "community." Although there have been some areas of progress, not nearly enough is apparent.

The Committee's review of this year's budget request included in-depth discussions with, or testimony from, the Director of Central Intelligence (DCI), the Community's senior leadership the managers of individual programs and agencies, as well as leaders from the Department of Defense and the military services who produce intelligence or who use or rely on intelligence systems and information on a daily basis. Their message continues to be that, despite the increases in the President's amended request for the Intelligence Community's people and programs, there are insufficient intelligence resources to meet the immediate national security intelligence needs, let alone future needs. Although the Committee does not believe that additional funding alone will correct all the Community's deficiencies, indeed the Committee believes that there is a fundamental need for both a cultural revolution within the Intelligence Community as well as significant structural changes, the Committee is concerned that the additional funding sought for the Community constitutes a misjudgment in national security priorities. As an example, the Committee notes that intelligence funding constituted a significantly lower percentage of the overall amended defense request for fiscal year 2002. This amount is inconsistent with the overall Intelligence Community funding percentage relative to national defense and does not seem to comport with the Administration's or the Secretary of Defense's emphasis on intelligence. Moreover, the fact that intelligence must continue to compete with other defense needs is a Cold War legacy that does not reflect the new national security definitions nor encompass the realities of today's and tomorrow's threats. The Committee is also concerned that increasing requirements for greater volume, higher fidelity, and more timely intelligence, especially by the military, is forcing the Intelligence Community to "accomplish much more, with much less." The lack of long-term analysis to provide predictive warning against acts of war against the United States, such as that perpetrated by the attacks on the World Trade Center and Pentagon, is indicative of this problem.

For the past six years, the Committee and Congress have sought to increase the "top line," or overall funding level for the Intelligence Community. The President's amendment to the fiscal year 2002 request was welcomed as a recognition that the congressional priorities for national defense, and particularly intelligence operations, were justified. However the extremely modest increase to the request does not demonstrate to this Committee the full commitment by the Administration to build a healthy, future years' intelligence budget that meets national security needs. The Committee does understand that the Administration's request that resulted in the "The Supplemental Appropriations Act for Recovery and Response to Terrorist Attacks on the United States" includes

resources for the Intelligence Community. Further, the Committee recognizes that the new Administration is attempting to conduct a full review of the Intelligence Community to determine its future needs. The Committee must assume that the supplemental appropriation is not a long-term "fix," and must caution that the requested increase in this single fiscal year must be sustained in the future years' request so that no future unfunded bills will result. The Committee is compelled to highlight this issue, since it is our understanding that the preliminary budget guidance for fiscal year 2003 appears to fall into the same, status quo, bureaucratic construct that will result in, at best, having intelligence on a flat-line funding track. With this in mind, the Committee has made some adjustments and recommendations in this bill in order to implore and to prod the President, the Director of Central Intelligence and the Secretary of Defense to re-examine the basic process used to put the yearly budget request together.

It is imperative that the Executive Branch address these critical shortfalls in planning and its intelligence capabilities, especially to include the following areas:

- In the Human Intelligence (HUMINT) arena, ill-advised reductions of resources after the Cold War, combined with poor planning, infrastructure problems, extended requirements for military force protection, and unexpected contingency operations have all worked to take resources from the "front line" field officers, thus limiting our efforts to rebuild our "eyes and ears" around the globe. In stark contrast to the Community's budget request that actually cuts manpower, it is imperative that the Intelligence Community increase its efforts to add to its HUMINT capabilities, particularly in the areas of increasing the number of clandestine case officers and defense attaches around the world, improving language and specialized skills training, and creating and fostering a positive career culture for specialists.
- Also critical is the rebuilding and restructuring of the Community's all-source analytic resources and tools. The number of analysts needs to increase, and collaboration across the Community and across intelligence disciplines must occur. The Committee believes that physical collocation of analysts may well serve to create a better, stronger analytic base for the Community.
- Despite the oversight committees' exhortations, the Intelligence Community is still faced with totally inadequate planning and investment for systems to correct the Community's multi-intelligence tasking, processing, exploitation, and dissemination (TPED) problems. This is particularly true for current imagery intelligence collection capabilities, and more so for planned capabilities. The Intelligence Authorization Act for fiscal year 2002 has begun to address imagery tasking, processing, exploitation, and dissemination deficiencies by providing the initial funding for the National Imagery and Mapping Agency's modernization. The funding will enable the initiation of acquisition reform, improved information management capabilities, new business processes to better produce innovative imagery and geo-spatial products, and greater access to all imagery sources.
- As the Committee stated last year, in the area of Intelligence, Surveillance and Reconnaissance (ISR) assets, we continue to see extensive over-utilization of very limited, but critical airborne as-

sets, with little relief in sight. While planning for deployment of new ISR airborne capabilities, the Department of Defense has taken money from existing, supposedly complementary, platforms to pay for future capabilities. The aging manned reconnaissance fleets are in clear need of recapitalization with no funded plan to do so. The result: our overall ISR capabilities and resources, in practical terms, are decreasing at a time when our military forces are relying on them more and more.

• The most serious and immediate problems continue to be with signals intelligence (SIGINT) resources. The Director of the National Security Agency (NSA) has a new team in place to correct many of the significant infrastructure and modernization problems caused by nearly a decade of decline in resources and severe internal mismanagement. In the same decade the signals targets increased dramatically in both number and technological sophistication. The problems have been daunting: infrastructure needs went unfunded and major interruptions of service occurred, Information Technology (IT) resources were mismanaged and collection and analysis efforts suffered, and the lack of sufficient acquisition processes and expertise brought critical modernization efforts to a crawl. This did not come as a surprise: indeed, the Committee has, for over four years, warned the NSA and the Director of Central Intelligence about these problems. As stated, the Director of NSA has begun efforts to address these issues, and his efforts have the Committee's support. However, the Committee is concerned about NSA internal management's willingness to fully understand the need for radical change and to get behind these programs.

The Committee recognizes that the men and women who work in the Intelligence Community are taking the events of September 11 very hard and personally. These extremely hard working, dedicated, and courageous individuals are doing good work with what they have. Terrorism is an extremely difficult target, and the resources that the Community has appear inadequate. This reason alone should compel the Administration and Congress to heavily invest in our intelligence disciplines. The government cannot, however, stop by responding to terrorism alone. There are many other issues that the Intelligence Community also must attend to in order to assure that our nation's security is best maintained.

Heavy investments alone also will not sufficiently address the national security challenge and needs. As we sit today, it appears that many of the questions that are being asked after the attacks on September 11, 2001, are similar to those asked in the aftermath of the attack on U.S. forces at Pearl Harbor. As was done after Pearl Harbor, the Committee believes, that the Government must conduct a thorough review of our national security structures to determine whether these are the right structures to address the security challenges of the future.

The Committee will be discussing this issue in greater detail in the next few months, and stands ready to work with the Administration to undertake this review and make whatever changes are deemed appropriate. This is not a time to preserve the status quo, although there will be a tendency to do so as we embark on this war on terrorism. Now, more than ever, we must be bold in addressing our needs for intelligence—our first line of defense—and for our overall security.

AREAS OF SPECIAL INTEREST

In the following several pages, the Committee has chosen to highlight areas of special interest that it believes must be addressed by the Intelligence Community and the Administration if our country is to have sufficient intelligence resources to protect our national security. The Committee has chosen to identify those issues that address the Intelligence Community as a whole or that cross bureaucratic boundaries of the various programs. These primarily relate to broader investment and management policies rather than individual programs and projects within the NFIP, JMIP or TIARA that are addressed with these accounts.

The order of these issues is, by and large, irrelevant in terms of priority for the Committee—all are important. Moreover, these provisions, along with others in this bill, are intended to highlight for the new Administration the critical need for intelligence, the critical state in which the Intelligence Community finds itself, and to emphasize that the Administration must broadly address the shortfalls and needs of the Community, least we continue to suffer attacks such as those inflicted on September 11, 2001—or worse!

Terrorism threat analysis

In the wake of the USS *Cole* bombing, senior Defense intelligence officials were directed to devise and initiate sweeping structural and procedural changes to strengthen the Defense Intelligence Agency's (DIA) counterterrorism analysis and threat warning efforts. The focus of this task was to improve long-term threat analysis, reduce duplication of effort, more precisely apply all-source intelligence, expand the base of source information to include location and disposition of U.S. forces, and sharpen the focus of threat warning intelligence to those forces. The result was the formation of a new terrorism analysis center within the DIA.

Although the Committee applauded the innovative thinking of Defense Department officials with respect to the development of this center, the Committee was concerned that the initiative was moving forward without the resolution of significant implementation issues, particularly those involving information sharing of sensitive source data, and how such data might be reported—and more importantly protected in such a way as to be effective. Further, the Committee questioned the rationale for such a capability within DoD, since the CIA's existing center was designed to provide the all-source analysis needed by the Defense Department. The Committee has determined to support both capabilities, but in a much more community wide sense.

The events of September 11, 2001, highlighted why and how the Intelligence Community, as a whole, must respond to the myriad national security requirements, especially to the war on terrorism. The Committee believes there can no longer be any cultural, bureaucratic or other artificial barriers to impede the flow and analysis of information related to countering this threat. Information must be ubiquitous and available to all-source analysts. The artificial, but existing barriers to true information sharing must be overcome. Security issues must be resolved such that source identifying information that needs protecting is protected and information that is needed to piece together terrorist activities be made available.

Additionally, all technological impediments, such as on-line accesses to databases, must be immediately overcome. Existing data mining tools must be put to full use and additional tools must be developed. Most importantly, the concepts of the two centers must be adopted as a community-wide inter-agency approach. The war against terrorism necessarily crosses all boundaries. The Intelligence Community must, therefore, support all of its customers equally well—from the President, to the "soldier," to those in law enforcement. Thus, the Committee has supported a new construct; one that leverages all the concepts of the military and civilian analytical functions, and that is Intelligence Community-wide in composition and in service.

Focusing on people as long-term intelligence needs

Congress has provided an initial response to the horrific terrorist attacks suffered by the United States on September 11. Emergency funds and grants of authority to the President have been provided. Additional responses will be necessary in the weeks ahead as the international effort against terrorism proceeds and as assessments are made about the performance of those federal agencies charged with safeguarding national security in the period before and during the September 11 attacks.

The Committee believes it critical that a comprehensive examination be conducted independently of the federal government. Section 306 of the bill establishes a ten member commission to conduct such a review of the activities of the Departments of Defense, Justice, State, Transportation, and Treasury (including the intelligence components of those departments), the Federal Emergency Management Agency, and the Central Intelligence Agency. The report of the commission is to include recommendations on changes in activities and programs, structure, and/or responsibilities of the departments and agencies reviewed.

This Committee conducts oversight of the Intelligence Community and has been concerned for some time that intelligence agencies were not well positioned to respond to the national security challenges of the 21st century, including terrorism. Despite a succession of congressionally-provided funding increases to spur investment in all areas of intelligence, including human intelligence, the Committee is not satisfied that the Intelligence Community is moving quickly enough. There is a shortage of intelligence officers with the linguistic, operational, and analytic skills, as well as foreign area expertise and cultural background to discharge effectively the foreign intelligence mission.

Although a start has been made in increasing the ranks of officers, the Committee is not convinced that there is an Intelligence Community-wide strategy for ensuring that recruited persons have the diverse mix of skills and background necessary to enhance mission effectiveness. Accordingly, the Committee requests that the DCI submit a report to the congressional intelligence committees, by April 1, 2002, detailing employment and training initiatives within the Community, including spending plans, through which a diverse workforce will be recruited and trained. The report shall comment specifically on those spending and policy plans designed to enhance language training and cultural expertise. The Committee acknowledges that there is no quick fix to remedying skills

mix problems, but believes that a commitment to their solution needs a well considered strategy to be successful. The Committee expects the DCI's report to present that strategy so that the authorization bill for fiscal year 2003 can provide resources against well defined objectives. In the Committee's view, those objectives must include: aggressive recruitment of case officer candidates, particularly those with ethnic and language backgrounds needed by the Community; more overseas-based operations officers; increases in the numbers of civilian and military analysts; a greater emphasis on improving language skills through training and language proficiency incentives; a higher priority attached to building and maintaining expertise in foreign areas and cultures; and greater support for improving technological and operational disciplines. The Committee recommends consideration of the creation of a scholarship program, similar to the Former Defense Language Scholarship program, to assist in the recruitment of undergraduate and graduate students with proficiencies of use to the Community in areas such as foreign language and area studies, foreign cultural studies, and appropriate technical disciplines. The DCI's assessment of such a program will be expected in the report.

Emergency supplemental funding

The emergency supplemental appropriations measure passed in response to the September 11 terrorist attacks contains significant sums to support Intelligence Community needs. The Committee expects to be notified promptly by the DCI when decisions are made as to how these funds are allocated to specific intelligence programs and activities. A considered allocation of these funds could greatly enhance intelligence capabilities against terrorism. The Committee believes that priority should be given in the use of supplemental funds to: improving the effectiveness of human intelligence, particularly through language training and proficiency; improving the effectiveness of signals intelligence, particularly in the analysis function; and improving the effectiveness of measurement and signature intelligence, particularly in the fielding of new technologies to discover weapons of mass destruction, including chemical and biological agents which may be employed by terrorists. It is the Committee's expectation that all measures taken by the Intelligence Community in response to acts of terrorism will preserve a balance between the preservation of civil liberties and the need to improve the effectiveness of intelligence and law enforcement agencies.

Intelligence Community for the 21st century

The Committee continues to believe that there is a need for a fundamental review of the Intelligence Community's authorities, structure, funding levels, procedures, areas of mission emphasis, security procedures, depth and breadth of analytic expertise, and inter-agency relationships. The terrorist attacks on the World Trade Center and the Pentagon provided tragic emphasis for that position. The Committee does not, in any way, lay blame to the dedicated men and women of the U.S. Intelligence Community for the success of these attacks. If blame must be assigned, the blame lies with a government, as a whole, that did not fully understand nor wanted to appreciate the significance of the new threats to our

national security, despite the warnings offered by the Intelligence Community. In many respects, however, the Nation now has witnessed another Pearl Harbor event, and the President has called for all means at our disposal, including placing a great responsibility on the Intelligence Community, to wage the worldwide war on terrorism. The Committee believes that there are both short-term and long-term issues that must be addressed if the nation is to win this war.

The Committee is fully aware of the ongoing internal and external reviews of the Intelligence Community under NSPD–5. The outcomes of those reviews are not yet determined, and may result in some recommendations for changes. If history serves, however, no major substantive changes will occur after these reviews are complete. The Committee believes that major changes are necessary. They were necessary in 1996 when the Committee released its Intelligence Community for the 21st Century report, and they are necessary today. The only thing that has changed is the cause for immediate emphasis.

The Committee's response to the President's fiscal year 2002 National Foreign Intelligence Program budget request is in many ways modest, but focused. The time and ability for change, however, is now. Programs that the Committee believes warrant a "fresh" look include the establishment of a separate Clandestine Service that would combine all HUMINT resources under a similar tasking and operating structure; a Technical Collection Agency that would operate all technical collectors under a single management structure to eliminate "stove-piping" and enhance cross-collection capabilities; a Technology Development Office that provides Community Research and Development and a new, all-source analytic effort that enhances collaboration and, thus, analysis. These are but some of the options. Clearly, changes in funding processes, authorities, and mechanisms are also warranted. The Committee had planned to address many of these issues prior to September 11th, in order to serve notice to the Administration that the Intelligence Community is in dire need of attention and investment, that structure and management changes may well be necessary, and that it is a time for the Administration to be bold, innovative, and to think "out of the box". The Committee retains these views, especially given the war on terrorism. Thus, the Committee requests that the Administration begin to make such changes with the fiscal year 2003 budget submission.

The Committee believes the Director of Central Intelligence must take the lead in making these changes, working closely with Congress to effect the right changes.

Foreign language expertise

There continues to be a great need throughout the Intelligence Community for increased expertise in a number of intelligence-related disciplines and specialties. However, the Committee believes the most pressing such need is for greater numbers of foreign language-capable intelligence personnel, with increased fluency in specific and multiple languages. The Committee has heard repeatedly from both military and civilian intelligence producers and consumers that this is the single greatest limitation in intelligence agency personnel expertise and that it is a deficiency throughout

the Intelligence Community. The principle agencies dealing with foreign intelligence—CIA, NSA, FBI, DIA and the military services—have all admitted they do not have the language talents, in breadth or in depth, to fully and effectively accomplish their missions. Too often, the Committee has seen these organizations focus on developing "intelligence generalists," rather than intelligence professionals with strong linguistic capabilities and extensive expertise in a specific foreign language, culture and area.

This has certainly long been the trend in CIA's Directorate of Operations. Too often CIA, and other intelligence agencies have neglected long-term priorities, such as building in-depth expertise in the intelligence collection and analysis cadres. Rather, people are readily assigned and reassigned to confront the burning issues of the day. At the NSA and CIA, thousands of pieces of data are never analyzed, or are analyzed "after the fact," because there are too few analysts; even fewer with the necessary language skills. Written materials can sit for months, and sometimes years, before a linguist with proper security clearances and skills can begin a translation. Intelligence officers overseas often cannot contact and recruit key potential sources because they do not possess the requisite language skills. This language skill limitation dramatically affects our national security posture. The key to minimizing terrorist and other threats is clear: build a professional intelligence cadre with the requisite linguistic skills and in-depth expertise, with a long-term focus on areas of specialization. Advanced knowledge of the plans and intentions of America's enemies, who almost never use the English language to conduct their deadly business, requires trained and experienced specialists, not generalists. This is not to say that some generalists are not needed. Indeed, given the complexity of many transnational targets and issues, individuals who can place a broader view on intelligence that is collected can be critical to assuring quality reporting. There must be a balance struck.

The Committee is so concerned about foreign language capabilities that it believes the Intelligence Community must make major changes in policies and funding regarding foreign language proficiency for the HUMINT services, and for analysts at CIA, DIA, NSA, and elsewhere. The Committee believes that the DCI and the Secretary of Defense must enhance the current system of bonuses to provide additional positive incentives for employees to achieve and maintain proficiency, especially in the languages of the toughest and most important targets, particularly state sponsors and other nations that support terrorism. The size of the bonuses should be established based on the level of proficiency and the value of the language, as reflected in the CIA and DoD Operating Directives. Language specialists should be afforded the same or better opportunities for advancement as managers and other intelligence professionals enjoy. The Committee also believes that the IC and DoD should establish a policy, to be phased in appropriately to reflect current workforce realities that personnel engaged in foreign areas or subjects must demonstrate appropriate levels of proficiency in at least one foreign language relevant to their area of expertise in order to gain promotion. The Committee recognizes that such demands and requirements will probably exceed the infrastructure in place for instruction and proficiency testing. There

is every indication that the Community requirements cannot be met by existing schools. Therefore, the Committee believes that it is time to consider a dedicated Intelligence Community school that addresses future language needs as well as allowing Intelligence Community officers the ability to keep and build proficiency. The Committee directs the Director of Central Intelligence, in consultation with the Secretary of Defense, to develop a plan to implement these concepts/changes, conveying the plan to the congressional intelligence committees within 120 days after the date of enactment of this Act. The Committee urges the Director and the Secretary to implement the plan as rapidly as possible, and thus would fully support use of supplemental appropriations for these important efforts, recognizing that sustaining funding would have to be included in future years' budget requests.

Airborne signals intelligence recapitalization and modernization

The Committee has been vitally interested in properly sustaining the nation's tactical airborne reconnaissance platforms. These aircraft provide the bulk of the real-time, tactical imagery and signals intelligence to theater commanders. Included in their numbers are operational RC–135 RIVET JOINT, the EP–3 AIRES II, and the U–2 Dragonlady; and the future Aerial Common Sensor and Global Hawk aircraft. Longevity for the operational systems has become an issue. The Committee learned last year that most of the EP–3 aircraft will soon reach end of service fatigue life. Although not as urgent a problem, the RC–135 family of aircraft is aging and becoming more expensive to maintain. The U–2 fleet has fewer average total hours than either of the larger aircraft, and are expected to be operational beyond 2020.

In addition to the longevity of the airframes, the Committee remains fully aware of the state of the individual collection systems, particularly the SIGINT systems, that must constantly be improved to maintain parity with the threat environment. Unfortunately, the common SIGINT development, the Joint SIGINT Avionics Family (JSAF) Lowband Subsystem failed to produce the expected SIGINT collection system upgrade. Because the Department of Defense made the management decision to pursue this single SIGINT upgrade, foregoing most other airborne SIGINT improvements, the state of the operational collection systems has suffered tremendously.

Prior to the decision to pursue the single JSAF approach, the individual Services had effective but disparate upgrade programs, and technology sharing was sporadic and uncoordinated. However, the individual collection system capabilities against the fielded threats remained relatively good, as the Service program offices pursued mission-specific requirements and continually upgraded their weapon systems. The Committee is adamant that the Services must be allowed to return to constant and incremental system upgrades as the standard method of modernization. This modernization approach must be properly overseen by the Office of the Secretary of Defense to ensure a standardized architectural approach, guided by detailed standards promulgated by the Director of the National Security Agency (DIRNSA). Further, in his SIGINT functional manager's role, the DIRNSA should ensure the service pro-

gram offices share technologies consistent with Service mission requirements, funding, and unique integration challenges.

However, the state of the airframes themselves continues to be a concern. The Committee is aware of the discussions within the Navy to possibly replace the EP–3 aircraft with its future Multi-Mission Manned Aircraft (MMA). The Air Force, too, is discussing replacement of its reconnaissance aircraft with the Multi-Mission Command and Control aircraft (MC2A). Both of these concepts have positive and negative aspects. For example, the Committee is concerned that the replacement airframe type the Navy is currently considering will have severe limitations as a SIGINT collection platform. Further, the Air Force's concept may likely limit the number of aircraft available for world-wide reconnaissance operations. The Committee does not see budget requests that will make these proposals reality, nor does it see a coordinated approach that will maximize operational capability and flexibility while minimizing cost.

The Committee believes that the concept of replacing the two fleets with two new fleets is not the right direction. The Committee believes a single manned reconnaissance fleet that is "owned" by an "executive agent" service, but co-operated by the two services is the right model for the future. This would be a concept analogous to the electronic combat EA–6B model in service today, and would be a concept that allows for the best operational concepts from each of the services to be put into use. Further, a combined fleet of dedicated reconnaissance aircraft could be smaller in number than two separate fleets of dissimilar aircraft.

From the Committee's perspective, there seems to be a logical "way ahead" for both the multi-place, self-contained aircraft and the smaller manned or unmanned aircraft that depend on data-link tethers to ground stations or, in the future, other "mothership" aircraft such as the RC–135 or its replacement. This "way ahead" also appears to have a logical progression of sensor and sensor developments that would improve the flexibility and mission capability, while minimizing costs.

The Committee's concept consists of three basic parts: the replacement of the RC–135 and EP–3 fleets with a single Boeing 767-sized aircraft fleet, with the first aircraft beginning delivery as early as 2012; the continuing improvement and eventual "cross-decking" of the RC–135 collection system to the new reconnaissance aircraft; and the continuing upgrade and eventual "cross-decking" of the U–2 collection system to the Global Hawk and the Army's ACS programs.

Although, the Committee does not presume to choose the airframe, it firmly believes that the next generation, manned reconnaissance aircraft should be based on the same type airframe that the Air Force chooses for its next tanker aircraft—likely the B–767 aircraft. The concept for the development and fielding of this new reconnaissance aircraft includes the necessary life extension modifications to keep the EP–3 fleet capable until the first new aircraft can begin replacing them on a one-for-one basis. Under this concept, the new would first replace the EP–3s, and then later the RC–135s. The study for concepts, numbers of aircraft, and the design and modification of the new aircraft should begin no later than calendar year 2004, with the first funding provided in the

President's fiscal year 2004 budget request. The modification of the future aircraft will clearly require an acquisition process and organization that both understands the airborne reconnaissance mission and requirements, and has a proven record of delivering operational systems. The Committee believes the Air Force's Big Safari program office is the only logical choice for fielding the new reconnaissance aircraft.

The concept for the future of the new aircraft's sensor systems is likewise relatively straight-forward. There is little question that the most sophisticated and capable collection system today is the 85000 System onboard the RIVET JOINT aircraft. The Committee's concept would continue the incremental and continuous sensor improvement to the 85000 System with the goal of "cross-decking" it to the new aircraft in the then-current state of modification when the first aircraft is ready to accept it. This would require "new" equipment purchases for the first number of new aircraft that replace the EP–3, and the later number of aircraft would be outfitted with equipment directly transferred from the RC–135 aircraft as each is retired. The cost savings realized with this concept would be substantial over the alternative option to develop an entirely new SIGINT system.

Lastly, the Committee believes the sensor approach outlined above would work well for the U–2, Global Hawk and ACS aircraft. the U–2's collection system is very sophisticated, and moreover, operational. It, too, can be upgraded both architecturally and technically to maintain capability against the evolving threat. This needs to be done regardless of the new aircraft that will augment the U–2. The concept the Committee envisions is to incrementally improve the U–2's sensor suite and eventually "cross-deck" it to the Global Hawk and the ACS aircraft. For the Global Hawk, this accomplishes several important tasks. First, and foremost, it provides a single collection system for the Air Force's two high-altitude collection systems, simplifying both maintenance and logistics at the single main operating base location. Secondly, it results in no major ground station modifications to accept two separate SIGINT systems, thereby saving significant amounts of money. For the ACS, this would preclude the Army having to develop, on its own, a new SIGINT collection system, as the Air Force's previous investments would be completely leveraged. Secondly, this would provide true interoperability between the Air Force and Army ground stations—allowing both services to draw on the assets of the other. Lastly, this would allow both services to share future research and development costs.

The Committee understands that this concept is a radical departure from the programs of record within the Services and that it forces a new way of doing business. However, the future of airborne reconnaissance systems must be addressed now, and concrete actions must begin. Therefore, the Committee requests that the Secretary of Defense conduct a study of this concept and provide the congressional defense and intelligence committees a recommendation on the path to recapitalizing the Department's reconnaissance aircraft. The Committee serves notice that it will not entertain a status quo answer, and that it will take direct fiscal action in future years' request to ensure the nation's reconnaissance capabilities.

SECTION-BY-SECTION ANALYSIS AND EXPLANATION

TITLE 1—INTELLIGENCE ACTIVITIES

Section 101—authorization of appropriations

Section 101 lists departments, agencies, and other elements of the United States Government for whose intelligence-related activities the Act authorizes appropriations for fiscal year 2002.

Section 102—classified schedule of authorizations

Section 102 makes clear that the details of the amounts authorized to be appropriated for intelligence and intelligence-related activities and personnel ceilings for the entities listed in section 101 for fiscal year 2002 are contained in the classified Schedule of Authorizations. The Schedule of Authorizations is incorporated as to section 101 by section 102.

Section 103—personnel ceiling adjustments

Section 103 authorizes the Director of Central Intelligence, with the approval of the Director of the Office of Management and Budget, in fiscal year 2002 to exceed the personnel ceilings applicable to the components of the Intelligence Community under section 102 by an amount not to exceed 2 percent of the total of the ceilings applicable under section 102. The Director may exercise this authority only when necessary to the performance of important intelligence functions, and any exercise of this authority must be reported to the two intelligence committees of the Congress.

Section 104—intelligence community management account

Section 104 provides certain details concerning the amount and composition of the Community Management Account (CMA) of the Director of Central Intelligence.

Subsection (a) authorizes appropriations in the amount of $152,776,000 for fiscal year 2002 for the staffing and administration of various components under the CMA. Subsection (a) also authorizes funds identified for the Advanced Research and Development Committee to remain available for two years.

Subsection (b) authorizes a total of 313 full-time personnel for elements within the CMA for fiscal year 2002 and provides that such personnel may be permanent employees of the CMA element or detailed from other elements of the United States Government.

Subsection (c) explicitly authorizes the classified portion of the CMA.

Subsection (d) requires that personnel be detailed on a reimbursable basis, with certain exceptions. Personnel may be detailed on a non-reimbursable basis for a period not to exceed one year.

Subsection (e) authorizes $27,000,000 of the amount authorized for the CMA under subsection (a) to be made available for the National Drug Intelligence Center (NDIC) in Johnstown, Pennsylvania. Subsection (e) requires the Director of Central Intelligence to transfer $27,000,000 to the Department of Justice to be used for NDIC activities under the authority of the Attorney General, and subject to section 103(d)(1) of the National Security Act.

Section 105—codification of the United States Coast Guard as an element of the intelligence community

Section 105 establishes the United States Coast Guard as a National Foreign Intelligence Program (NFIP) agency under the National Security Act. The Commandant of the Coast Guard recently explained that the definition of national security "has widened to include many of the things for which the Coast Guard has been responsible for years. These are the so-called asymmetric array of threats that are now added to the classical inventory of nation-state engagement, potentially leading to armed conflict. It certainly now includes counter-terrorism, counter-narcotics, illegal alien smuggling, and worrying about our Exclusive Economic Zone." The Coast Guard is the only organization responsible for law enforcement, intelligence and military activities simultaneously. As a humanitarian organization, it has access to ports unreachable by other U.S. entities and welcomed by foreign navies. Under the aegis of law enforcement, the Coast Guard can board and search vessels in our territorial waters, exclusive economic zones or on high seas.

The Coast Guard is the organization with the primary responsibility for maritime interdiction and at sea enforcement of U.S. immigration laws. The Coast Guard routinely intercepts illegal migrants and returns them to their countries of origin. As such, the Coast Guard gains particular insight on migration patterns and pressures.

The Coast Guard is charged with eliminating environmental damage and natural resource degradation associated with maritime transportation, fishing, and recreational boating. The Coast Guard supports important national interests in living marine resources enforcement, maritime environmental protection, and maritime pollution enforcement.

Relative to its law enforcement mission, the Coast Guard is the U.S. Government agency with primary responsibility for maritime drug interdiction. The strategic goal is to protect our maritime borders by halting the flow of illegal drugs, aliens, and contraband into this country through maritime routes, preventing illegal incursions of our exclusive economic zone, and suppressing violations of federal law in the maritime region. Thus, the Coast Guard has particular insight into the operations of international criminal organizations dealing with illegal drugs, aliens, and other contraband.

Coast Guard Captains of the Port in major U.S. ports are intimately aware of the foreign maritime presence and have ready access to foreign vessels. This allows the Coast Guard to play a major role in homeland defense, counter-terrorism, and consequence management in U.S. ports.

In support of military commanders, the Coast Guard has national security objectives in the areas of maritime interception operations, port operations security and defense, military environmental response operations, and peacetime military engagement. The Coast Guard is an armed service "at all times" and conducts defense missions outlined in the 1995 Department of Transportation/Department of Defense Memorandum of Agreement.

The current Coast Guard intelligence training program can better take advantage of available Intelligence Community intelligence training courses to increase Coast Guard expertise at negligible

cost. Additionally, at negligible cost, the Coast Guard could elevate the Coast Guard Intelligence Program (CGIP) to a flag level directorate. An intelligence directorate would facilitate improved coordination of limited Coast Guard assets, recognize the increasing value provided by intelligence across all Coast Guard million areas, and place this organizational element on a par with those of other armed services and agencies.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Section 201—authorization of appropriations

Section 201 authorizes appropriations authorized by the conference report for salary, pay, retirement, and other benefits for federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

TITLE III—GENERAL PROVISIONS

Section 301—increase in employee compensation and benefits authorized by law

Section 301 provides that appropriations authorized by the conference report for salary, pay, retirement, and other benefits for federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

Section 302—restriction on conduct of intelligence activities

Section 302 provides that the authorization of appropriations by the conference report shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or laws of the United States.

Section 303—Sense of the Congress regarding Intelligence Community contracting

Section 303 is a Sense of the Congress provision to encourage the Intelligence Community to maximize the procurement of U.S.-made products.

Section 304—requirements for lodging allowances in Intelligence Community Assignment Program benefits

Section 304 enhances benefits paid under the Intelligence Community Assignment Program (ICAP). ICAP provides opportunities for Intelligence Community employees to gain experience and perspective through rotational details to intelligence-related positions external to an employee's parent organization. In order to avoid the significant familial impact of a detail and relocating under ICAP, this section authorizes the payment of a lodging allowance, subject to conditions, when an employee leaves his or her immediate family at the permanent duty station to participate in the ICAP. The section does not mandate the payment of the lodging allowance. Rather, it authorizes the detailing agency, within its discretion, to pay an allowance up to a maximum amount determined by the Secretary of Defense and the Director of Central Intelligence with re-

gard to detailed employees of the Department of Defense, or by such other appropriate agency head and the Director of Central Intelligence, but no more than the actual lodging expense at the new duty station.

This section sets forth five conditions that must be met prior to receipt of the lodging allowance under this program. First, it requires that the employee maintain a primary residence for his or her immediate family in the local commuting area of the permanent duty station from which the employee regularly commuted to the former duty station prior to the detail. Second, the employee must actually incur lodging expenses within reasonable proximity of the new duty station. The third condition limits the payment of the allowance to circumstances where the new duty station is more than 20 miles from the employee's former duty station. Fourth, the section requires that the distance from the employee's primary residence to the new duty station be at least 10 miles farther than the distance from the employee's primary residence to the former duty station. The 10-mile requirement parallels the current limitation in the federal travel regulations for short distance transfers. Finally, the section limits the payment of the lodging allowance to employees compensated at or below the maximum annual rate of pay for grade GS–15 of the General Schedule.

Section 305—technical amendment

Section 305 provides a technical correction to the National Security Act.

Section 306—commission on September 11 government preparedness and performance

Section 306 of the bill establishes an independent commission to review the performance of those federal public safety, law enforcement, and national security departments and agencies responsible for preventing and/or responding to acts of terrorism in the period prior to and including September 11, 2001. The review is to include the activities of the Departments of Defense, Justice, State, Transportation, and Treasury (including the intelligence components of those departments), the Federal Emergency Management Agency, and the Central Intelligence Agency. The commission is to submit a report to the President and the Congress with recommendations for changes in activities and programs, structure, and/or responsibilities of the departments and agencies reviewed. The report is to be submitted no later than six months from the date the commission's director is appointed. The commission shall consist of ten members, four of whom are to be appointed by the President, two by the Majority Leader of the Senate, two by the Speaker of the House, one by the Minority Leader of the Senate, and one by the Minority Leader of the House.

The committee believes that the commission will only be successful if it is seen to be truly independent of any preconceived notions about the effectiveness of the activities of the departments and agencies it will review. Appointing members with a reputation for challenging conventional wisdom, wide perspective, bold and innovative thought and broad experience in dealing with complex problems will contribute directly to instilling the commission with an independence of spirit which will enhance the credibility of its

work. Those given the authority to appoint members of the commission are urged to be especially sensitive to the committee's concerns in this regard.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Section 401—modifications to Central Intelligence Agency's Central Services Program

Section 401 makes several changes to the Central Intelligence Agency's Central Services Program (CSP). This section changes the date the annual audit is required to be completed from 31 December to 31 January. This brings the financial audit requirements of the CIA Inspector General in line with similar requirements placed on other Inspectors General in the Federal government. Moreover, it eliminates a sunset date for the CSP.

Section 402—extension of Central Intelligence Agency Voluntary Separation Pay Act

Section 402 extends to September 30, 2003 the DCI's ability to offer separation pay incentives, which otherwise would expire as of September 30, 2002.

The Central Intelligence Agency has used the Central Intelligence Agency Voluntary Separation Pay Act authority over the past several years to restructure and "re-skill" its workforce to support the Strategic Division that the DCI has outlined. The use of incentives, and early-outs, has contributed greatly to Agency efforts to re-tool the Agency workforce for the challenges of the 21st century, and is a critical tool in providing the Director of Central Intelligence the flexibility to adapt the workforce as priorities change. The changes in the workforce required to support the DCI's direction have an impact on the number of areas within the Agency. Authority to offer incentives, and early outs, to targeted groups of employees to encourage separation, therefore, remains important to the success of Agency restructuring. Data from the Agency's exit survey indicate that the separation incentive pay has accelerated the departure of employees in targeted groups.

The Agency is engaged in a concerted effort to further streamline its administrative processes. As that effort bears fruit, the Agency will need to continue restructuring the CIA workforce. The recent disestablishment of the Agency's Directorate of Administration and the creation of five new Mission Support Offices also may necessitate additional reconfiguration of Agency staffing.

In addition to the restructuring outlined above, other ongoing initiatives are intended to better position the Agency workforce to support the DCI's vision of intelligence collection, analysis, and dissemination in the coming years. Of continuing importance is the ability to redirect middle- and senior-level management positions in the Directorate of Intelligence and the Directorate of Science and Technology. Reductions in managerial ranks will make available positions for senior substantive experts in the analysis and technology fields. Separation incentive and early out authority will substantially assist in achieving this transition without serious adverse impact on the managerial workforce.

Section 403—guidelines for recruitment of certain foreign assets

Section 403 addresses the CIA's 1995 guidelines on recruitment of foreign assets and sources. The Committee believes that the 1995 CIA guidelines on the handling of cases involving foreign assets and sources with human rights concerns have had the unintended consequence of deterring the effective recruitment of potentially high-value assets. The Committee has long been concerned that a culture of "risk aversion" has hindered decision-making across the Intelligence Community, and especially within the CIA. In the instance of the 1995 guidelines, we are concerned that excessive caution and a burdensome vetting process have undermined the CIA's ability to recruit assets. The Committee is concerned that the guidelines have had a negative impact on the recruitment of sources against terrorist organizations and other hard targets as well. Admittedly, in the past, there have been recruitments that have proved to be inappropriate. Since 1995, CIA's well-intended effort to address human rights concerns may have significantly limited the U.S. Government's access to foreign assets and sources.

Far too often, Committee members have learned of field officers who have been deterred from recruiting promising assets or who have lost potential assets to competing intelligence services, because of a slow and overly litigious vetting process. Legal and bureaucratic concerns must not be ignored, but neither should they dictate the asset recruitment process. New guidelines must rebalance the equation between potential gain and risk. Clearly, there is a certain class of individuals who, because of their unreliability, instability, or nature of past misconduct, should be avoided. A new balance must be struck that recognizes concerns about egregious human rights behavior, but provides the much needed flexibility to seize upon opportunities as they present themselves. The Committee looks to the Director of Central Intelligence to promulgate new guidelines that restore equilibrium to the asset vetting process, satisfactorily address legal questions in a time-urgent manner, thereby expediting recruitment of foreign assets and sources, and provide confidence to personnel in the field that their best judgment will be supported.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

Section 501—authority to purchase items of nominal value for recruiting purposes

Section 501 helps to align the recruiting practices of Intelligence Community elements of DoD with those of private industry in order to assist these agencies in maintaining their competitiveness for prospective employees in the marketplace. Express authority is granted to the Secretary of Defense with respect to the Intelligence Community elements of DoD to use appropriated funds for the purchase of promotional items of nominal value for recruitment purposes. Such items would include hi-liters, mugs, magnets, letter openers, and other nominal-value items deemed necessary by agency recruiters to establish an agency presence on campuses and at job fairs. The provision of such items will assist these agencies in attracting students on college and university campuses or prospective applicants at job fairs.

Recruitment give-away items are commonly offered to prospective applicants by private sector employers as part of normal recruiting activities. These give-away items help the employer to establish a presence at recruiting functions by serving as a reminder to potential applicants of the prospective employer's name and contact number, and as a means of attracting attention to the employer's lines of business. Intelligence Community elements of DoD currently lack the authority to offer these nominal-value items.

Expressly authorizing Intelligence Community elements of DoD to use this standard private-sector recruiting practice will enhance their ability to attract the attention of prospective job applicants, as well as their ability to participate in various recruitment activities and at job fairs. The mission of each of these agencies is largely dependent on attracting the broadest possible range of potential applicants. It is therefore necessary that their recruiting activities be as competitive as possible with those activities practiced by the private-sector entities with whom they vie most vigorously for talent, especially in the technical disciplines.

Section 502—fund for infrastructure and quality-of life improvements at Menwith Hill and Bad Aibling stations

Section 502 would extend through the end of FY 2003 authority granted the Army in the Intelligence Authorization Act for Fiscal Year 1996 for the enhancement of capabilities to include infrastructure and quality of life concerns at Bad Aibling and Menwith Hill Stations. With respect to Bad Aibling Station, this authority is requested as an interim measure pending any final decision on the future operations of this station.

The Army became the Executive Agent for Bad Aibling Station in FY 1995 and Menwith Hill Station in FY 1996. Without congressional action, the Army is prohibited by 31 U.S.C. 1301 from using appropriated funds to support these field sites, notwithstanding that the Army is the Executive Agent for them. Language in the Intelligence Authorization Act for Fiscal Year 1996 provided the necessary flexibility to allow the Army to transfer or reprogram relatively minor amounts of funds (up to $2 million in FY 1996 O&M and $2 million in FY 1997 O&M funds) for necessary enhancements at these stations. However, sufficient funding has not been available to allow the Army to meet all of the stations's needs, given financial constraints and increasing operational tempo. Consequently, in order to continue addressing enhancements to include infrastructure and quality of life needs at Menwith Hill Station and to be able to continue operations on an interim basis at Bad Aibling Station, the Army requests that its flexible transfer and reprogramming authority be extended through FY 2003.

Section 503—continuation of Joint Inter-Agency Task Force at current locations in Florida and California

Section 503 supports retention of Joint Inter-Agency Task Force intelligence and law enforcement operations in Florida and California. In 1989, Congress designated the Department of Defense (DoD) as the "Lead Agency" for the detection and monitoring (D&M) of aerial and maritime trafficking. To carry out their new mission, the Defense Department built upon the Unified Command

Structure and established several Joint Task Force operations centers.

Joint Interagency Task Force (JIATF) East was created as a result of Presidential Decision Directive 14, which ordered a review of the nation's command and control intelligence centers involved in international counter-narcotics operations.

The principal statutory authority of JIATF counterdrug detection and monitoring activities is set forth in 10 USC 124, which directs the Defense Department to serve as the single lead agency of the Federal Government for the detection and monitoring of aerial and maritime transit of illegal drugs into the United States. JIATF activities implement this Defense Department authority.

JIATF operations are also based on the authority of Section 1004 of Public Law 101–510, Division A, Title X, of the National Defense Authorization Act of Fiscal Year 1991, as amended, which provides additional authority for Defense Department counterdrug activities in support of any Federal agency or department, and of any State, local, or foreign law enforcement agency for various purposes, to include the detection, monitoring, and communication of the movement of air and sea traffic within 25 miles of and outside the geographic boundaries of the United States. Other counterdrug support authorized by Section 1004 includes maintaining and repairing equipment; transporting personnel and equipment; establishing bases of operations; providing counterdrug related training; constructing roads and fences and installing lighting to block drug smuggling corridors; establishing command, control communications, and computer networks; providing linguist and intelligence analysis services; and producing aerial and ground reconnaissance.

Additionally, JIATF operates under the authority and restrictions provided for in Chapter 18 of Title 10 of the U.S. Code (Sections 371–382) governing military support for U.S. Federal, State, and local civilian law enforcement agencies. These provisions include authority for the Defense Department to support civilian law enforcement agencies by various means, to include sharing information (Section 371), making equipment available (Section 372), training in operation of equipment made available and providing expert advice (Section 373), and making Defense Department personnel available for among other purposes, to operate equipment for the purposes of detecting, monitoring, and communicating the movement of air and sea traffic, and of surface traffic outside the United States in support of civilian law enforcement agencies (10 USC 374).

JIATFs are "DoD intelligence components" within the meaning of DoD Directive 5240.1, DoD Intelligence Activities (25 April 1988) and DoD Regulation 5240.1, Procedures Governing the Activities of DoD Intelligence Components that affect United States Persons (December 1082). These Defense Department publications implement Executive Order 12333, United States Intelligence Activities (4 Dec 1981). As a Defense Department intelligence component, JIATF activities are conducted in compliance with DoD Directive 5240.1, DoD Regulation 5240.1, and Executive Order 12333. Procedure 12 of DoD Regulation 5240.1, entitled "Provision of Assistance to Law Enforcement Authorities," specifically authorizes DoD intelligence components to cooperate with law enforcement authorities for the purpose of international narcotics activities. Procedure 12

incorporates the limitations on assistance to law enforcement authorities contained in Executive Order 12333, and the general limitations and approval requirements pertaining to the provision of assistance to civilian law enforcement agencies set forth in DoD Directive 5525.5. The provisions of 10 USC 371 provide Defense Department authority to share intelligence information collected during the normal course of military training or operation that is relevant to a violation of any Federal or State law with Federal, State, or local civilian law enforcement officials.

Section 504—modification of authorities relating to interdiction of aircraft engaged in illicit drug-trafficking

Section 504 amends current law (22 U.S.C. 2291–4) relating to official immunity for employees and agents of the United States and foreign countries engaged in the interdiction of aircraft used in illicit drug trafficking. Under this section, the President must make an annual certification to Congress concerning both the existence of a drug threat in the country at issue and the existence in that country of appropriate procedures to protect against innocent loss of life. An annual report to Congress by the President concerning United States Government assistance to such interdiction programs is also required by this section.

Section 505—undergraduate training program for employees of the National Imagery and Mapping Agency

Section 505 amends the National Imagery and Mapping Act of 1996 to authorize the Secretary of Defense to establish a program to send NIMA civilian employees to accredited professional, technical, and other institutions of higher learning for training at the undergraduate level. It is similar in purpose, content, and administration to the NSA program established under the National Security Agency Act of 1959 (50 USC 402(note)).

Section 506—technical amendments

Section 506 is a technical amendment that deletes the requirement contained in 10 U.S.C. Section 2555(b)(3) that foreign governments return transferred nuclear test monitoring equipment if either the United States or the foreign government terminate an agreement to share the information collected through such an agreement. The proposal further clarifies that the Secretary of Defense has authority to convey, transfer title to, or otherwise provide such equipment to a foreign government and may maintain, repair, or replace equipment so transferred.

COMMITTEE POSITION AND RECORD VOTES TAKEN

On September 24, 2001, in open session, a quorum being present, the Permanent Select Committee on Intelligence, by a recorded vote of 18 ayes to 0 noes, approved the bill, H.R. 2883, as amended by an amendment in the nature of a substitute offered by Chairman Goss. By that vote, the committee ordered the bill reported favorably to the House. On that vote, the Members present recorded their votes as follows: Mr. Goss (Chairman)—aye; Mr. Bereuter—aye; Mr. Castle—aye; Mr. Boehlert—aye; Mr. Gibbons—aye; Mr. LaHood—aye; Mr. Cunningham—aye; Mr. Hoekstra—aye; Mr. Burr—aye; Mr. Chambliss—aye; Ms. Pelosi—aye; Mr. Bishop—aye;

Ms. Harman—aye; Mr. Condit—aye; Mr. Roemer—aye; Mr. Hastings—aye; Mr. Reyes—aye; Mr. Boswell—aye.

During consideration of the bill, Mr. LaHood offered an amendment to the legislative provisions. The amendment would have removed section 306 from the bill. Section 306 establishes an independent commission to assess the performance of those agencies and departments of the United States charged with the responsibility to prevent, prepare for, or respond to acts of terrorism up to and including the events of September 11, 2001. The Permanent Select Committee on Intelligence rejected Mr. LaHood's amendment by a vote of 7 ayes to 11 noes, a quorum being present. On that vote, the Members present recorded their votes as follows: Mr. Goss (Chairman)—no; Mr. Bereuter—aye; Mr. Castle—aye; Mr. Boehlert—no; Mr. Gibbons—aye; Mr. LaHood—aye; Mr. Cunningham—aye; Mr. Hoekstra—no; Mr. Burr—aye; Mr. Chambliss—aye; Ms. Pelosi—no; Mr. Bishop—no; Ms. Harman—no; Mr. Condit—no; Mr. Roemer—no; Mr. Hastings—no; Mr. Reyes—no; Mr. Boswell—no.

FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT REFORM

With respect to clause 3(c)(4) of rule XIII of the House of Representatives, the committee is not subject to this requirement; therefore, the committee has not received a report from the Committee on Government Reform pertaining to the subject of this bill.

OVERSIGHT FINDINGS

With respect to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the committee held three hearings and numerous briefings on the classified budgetary issues raised by H.R. 2883. Testimony was taken from senior officials of the Central Intelligence Agency, the National Security Agency, the Defense Intelligence Agency, the Federal Bureau of Investigation, the National Reconnaissance Office, the National Imagery and Mapping Agency, the Department of Defense, the Department of State, the Department of Treasury, the Department of Justice, and the Department of Transportation regarding the activities and plans of the Intelligence Community covered by the provisions and authorizations, both classified and unclassified, of the Intelligence Authorization Act for Fiscal Year 2002. The bill, as reported by the committee, reflects conclusions reached by the committee in light of this oversight activity.

FISCAL YEAR COST PROJECTIONS

The committee has attempted, pursuant to clause 3(d)(2) of rule XIII of the Rules of the House of Representatives, to ascertain the outlays that will occur in fiscal year 2002 and the five years following, if the amounts authorized are appropriated. These estimates are contained in the classified annex and are in accordance with those of the Executive Branch.

CONGRESSIONAL BUDGET OFFICE ESTIMATES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, and pursuant to sections 308 and 402 of the Congressional Budget Act of 1974, the committee submits the following estimate prepared by the Congressional Budget Office:

HOUSE OF REPRESENTATIVES,
PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, September 24, 2001.

Dr. DAN CRIPPEN,
Director, Congressional Budget Office,
Ford House Office Building, Washington, DC.

DEAR DR. CRIPPEN: In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, I am writing to request a cost estimate of H.R. 2883, the Intelligence Authorization Act for Fiscal Year 2002, pursuant to sections 308 and 403 of the Congressional Budget Act of 1974. I have attached a copy of the bill as approved today by the House Permanent Select Committee on Intelligence.

As I hope to bring this legislation to the House floor in the very near term, I would very much appreciate an expedited response to this request by the CBO's staff. Should you have any questions related to this request, please contact Chris Barton, the Committee's Acting Chief Counsel. Thank you in advance for your assistance with this request.

Sincerely,

PORTER J. GOSS,
Chairman.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 25, 2001.

Hon. PORTER J. GOSS,
Chairman, Permanent Select Committee on Intelligence,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2883, the Intelligence Authorization Act for Fiscal Year 2002.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Schmit.

Sincerely,

STEVEN LIEBERMAN
(For Dan L. Crippen, Director).

Enclosure.

H.R. 2883—Intelligence Authorization Act for Fiscal Year 2002

Summary: H.R. 2883 would authorize appropriations for fiscal year 2002 for intelligence activities of the United States government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System (CIARDS).

This estimate addresses only the unclassified portion of the bill. On that limited basis, CBO estimates that implementing the bill

would cost $156 million over the 2002–2006 period, assuming appropriation of the necessary funds. The bill would affect direct spending by insignificant amounts; thus, pay-as-you-go procedures would apply.

H.R. 2883 contains an intergovernmental and private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the costs of the mandate would not exceed the thresholds established in that act ($56 million for intergovernmental mandates and $113 million for private-sector mandates in 2001, adjusted annually for inflation).

Estimated cost to the Federal Government: The estimated budgetary impact for the specified authorization of appropriations in the unclassified portions of H.R. 2883 is shown in the following table. CBO cannot obtain the necessary information to estimate the costs for the entire bill because parts are classified at a level above clearances held by CBO employees. For purposes of this estimate, CBO assumes that the bill will be enacted near the start of fiscal year 2002, and that the necessary amount will be appropriated for that year. Estimated outlays are based on historical spending patterns. The costs of this legislation fall within budget function 050 (national defense).

	By fiscal year, in millions of dollars—					
	2001	2002	2003	2004	2005	2006
INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT						
Spending Under Current Law						
Budget Authority [1]	149	0	0	0	0	0
Estimated Outlays	155	58	15	2	0	0
Proposed Changes						
Authorization Level	0	153	0	0	0	0
Estimated Outlays	0	198	43	8	3	0
Spending Under H.R. 2883						
Authorization Level [1]	149	153	0	0	0	0
Estimated Outlays	155	156	58	10	3	0
COMMISSION ON TERRORISM PREPAREDNESS						
Spending Under Current Law						
Budget Authority	0	0	0	0	0	0
Estimated Outlays	0	0	0	0	0	0
Proposed Changes						
Estimated Authorization Level	0	3	0	0	0	0
Estimated Outlays	0	3	0	0	0	0
Spending Under H.R. 2883						
Estimated Authorization Level	0	3	0	0	0	0
Estimated Outlays	0	3	0	0	0	0
SUMMARY OF CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level [2]	0	156	0	0	0	0
Estimated Outlays	0	101	43	8	3	0

[1] The 2001 level is the amount appropriated for that year.
[2] In addition to effects on spending subject to appropriations, H.R. 2883 would affect direct spending, but CBO estimates that such changes would be less than $500,000 a year.

Spending subject to appropriation

The bill would authorize appropriations of $153 million for the Intelligence Community Management Account, which funds the coordination of programs, budget oversight, and management of the intelligence agencies and unspecified amounts for intelligence activities in fiscal year 2002.

Section 306 would establish a commission to examine the federal government's preparedness to prevent, prepare for, or respond to

acts of terrorism up to and including the terrorist acts on September 11, 2001. Based on costs for similar commissions, CBO estimates implementing this section would cost about $3 million in fiscal year 2002.

Direct spending and revenues

The bill would authorize $212 million for CIARDS to cover retirement costs attributable to military service and various unfunded liabilities. The payment to CIARDS is considered mandatory, and the authorization under this bill would be the same as assumed in the CBO baseline. Thus, this estimate does not ascribe any additional cost to that provision.

Section 401 would provide permanent authority for a program that authorizes the CIA to provide goods and services on a reimbursable basis. CBO estimates that the costs of providing those goods and services would be offset by the reimbursements and that this provision would have an insignificant net impact each year and no net budgetary impact over the long run.

Section 402 would extend the authority of the Central Intelligence Agency (CIA) to offer incentive payments to employees who voluntarily retire or resign. The authority, which will expire on September 30, 2002, would be extended through fiscal year 2003. Section 402 also would require the CIA to make a deposit to the Civil Service Retirement and Disability Fund equal to 15 percent of final pay for each employee who accepts an incentive payment. Although the timing of agency payments and the additional benefit payments would not match on a yearly basis, CBO believes that these deposits would be sufficient to cover the cost of any long-term increase in benefits that would result from induced retirements. CBO cannot provide a precise estimate of the direct spending effects because the data necessary for an estimate are classified.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that the net change in outlays for section 401 that are subject to pay-as-you-go procedures would be insignificant for each year. CBO cannot estimate the precise direct spending effects of section 402 because the necessary data are classified.

Intergovernmental and private-sector impact: H.R. 2883 would establish the Commission on Preparedness and Performance of the Federal Government for the September 11 Acts of Terrorism and would give it the power to subpoena testimony and evidence. Such power would constitute an intergovernmental and private-sector mandate under UMRA. CBO estimates that the costs of the mandate would not exceed the thresholds established in UMRA ($56 million for intergovernmental mandates and $113 million for private-sector mandates in 2001, adjusted annually for inflation). The remaining provisions of the bill contain no intergovernmental or private-sector mandates and would impose no costs on state, local, or tribal governments.

Previous CBO estimate: On September 14, 2001, CBO transmitted a cost estimate for the unclassified portion of S. 1428, the Intelligence Authorization Act for Fiscal Year 2002, as ordered reported by the Senate Select Committee on Intelligence on September 6, 2001. The differences in the estimated costs reflect dif-

ferences in the bills. In particular, S. 1428 would authorize $238 million for the Intelligence Community Management Account, while H.R. 2883 would authorize $153 million for that account.

Estimate prepared by: Federal Costs: Matthew Schmit. Impact on State, Local, and Tribal Governments: Elyse Goldman. Impact on the Private Sector: Zachary Selden.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

COMMITTEE COST ESTIMATES

The committee agrees with the estimate of the Congressional Budget Office.

SPECIFIC CONSTITUTIONAL AUTHORITY FOR CONGRESSIONAL ENACTMENT OF THIS LEGISLATION

The intelligence and intelligence-related activities of the United States government are carried out to support the national security interests of the United States, to support and assist the armed forces of the United States, and to support the President in the execution of the foreign policy of the United States. Article 1, section 8 of the Constitution of the United States provides, in pertinent part, that "Congress shall have power * * * to pay the debts and provide for the common defence and general welfare of the United States; * * *"; "to raise and support Armies, * * *" "to provide and maintain a Navy; * * *" and "to make all laws which shall be necessary and proper for carrying into execution * * * all other powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof." Therefore, pursuant to such authority, Congress is empowered to enact this legislation.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

NATIONAL SECURITY ACT OF 1947

* * * * * * *

DEFINITIONS

SEC. 3. As used in this Act:

(1) * * *

* * * * * * *

(4) The term "intelligence community" includes—

(A) * * *

* * * * * * *

(H) the intelligence elements of the Army, the Navy, the Air Force, the Marine Corps, the Federal Bureau of Inves-

tigation, the Department of the Treasury, [and] the Department of Energy*, and the Coast Guard*;

* * * * * * *

TITLE I—COORDINATION FOR NATIONAL SECURITY

* * * * * * *

APPOINTMENT OF OFFICIALS RESPONSIBLE FOR INTELLIGENCE-RELATED ACTIVITIES

SEC. 106. (a) * * *

(b) CONSULTATION WITH DCI IN CERTAIN APPOINTMENTS.—(1) * * *

(2) Paragraph (1) applies to the following positions:

(A) * * *

* * * * * * *

(C) The Director of the Office of [Nonproliferation and National Security] *Intelligence and the Director of the Office of Counterintelligence* of the Department of Energy.

* * * * * * *

DETAIL OF INTELLIGENCE COMMUNITY PERSONNEL—INTELLIGENCE COMMUNITY ASSIGNMENT PROGRAM

SEC. 113. (a) * * *

(b) BENEFITS, ALLOWANCES, TRAVEL, INCENTIVES.—*(1)* An employee detailed under subsection (a) may be authorized any benefit, allowance, travel, or incentive otherwise provided to enhance staffing by the organization from which the employee is detailed.

(2) The head of an agency of an employee detailed under subsection (a) may pay a lodging allowance for the employee subject to the following conditions:

(A) The allowance shall be the lesser of the cost of the lodging or a maximum amount payable for the lodging as established jointly by the Director of Central Intelligence and—

(i) with respect to detailed employees of the Department of Defense, the Secretary of Defense; and

(ii) with respect to detailed employees of other agencies and departments, the head of such agency or department.

(B) The detailed employee maintains a primary residence for the employee's immediate family in the local commuting area of the parent agency duty station from which the employee regularly commuted to such duty station before the detail.

(C) The lodging is within a reasonable proximity of the host agency duty station.

(D) The distance between the detailed employee's parent agency duty station and the host agency duty station is greater than 20 miles.

(E) The distance between the detailed employee's primary residence and the host agency duty station is 10 miles greater than the distance between such primary residence and the employees parent duty station.

(F) The rate of pay applicable to the detailed employee does not exceed the rate of basic pay for grade GS–15 of the General Schedule.

* * * * * * *

SECTION 21 OF THE CENTRAL INTELLIGENCE AGENCY ACT OF 1949

* * * * * * *

CENTRAL SERVICES PROGRAM

SEC. 21. (a) * * *

* * * * * * *

(g) AUDIT.—(1) Not later than [December] *January* 31 each year, the Inspector General of the Central Intelligence Agency shall [conduct] *complete* an audit of the activities under the program during the preceding fiscal year.

* * * * * * *

(h) TERMINATION.—[(1) The authority of the Director to carry out the program under this section shall terminate on March 31, 2002.]

[(2)] *(1)* Subject to paragraph [(3)] *(2)*, the Director of Central Intelligence and the Director of the Office of Management and Budget, acting jointly—

(A) may terminate the program under this section and the Fund at any time; and

(B) upon such termination, shall provide for the disposition of the personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with the program or the Fund.

[(3)] *(2)* The Director of Central Intelligence and the Director of the Office of Management and Budget may not undertake any action under paragraph [(2)] *(1)* until 60 days after the date on which the Directors jointly submit notice of such action to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

* * * * * * *

SECTION 2 OF THE CENTRAL INTELLIGENCE AGENCY VOLUNTARY SEPARATION PAY ACT

SEC. 2. SEPARATION PAY.

(a) * * *

* * * * * * *

(f) TERMINATION.—No amount shall be payable under this section based on any separation occurring after September 30, [2002] *2003*.

* * * * * * *

(i) REMITTANCE OF FUNDS.—The Director shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund (in addition to any other payments which the Director is required to make under subchapter III of chapter 83 and subchapter II of chapter 84 of title 5, United States Code), an amount equal to 15 percent of the final basic pay of each employee who, in fiscal year 1998, 1999, 2000, 2001, [or 2002] *2002, or 2003*, retires voluntarily under section 8336, 8412, or 8414 of such title or resigns and to whom a voluntary separation incentive payment has been or is to be paid under this section. The remittance required by this subsection shall be in lieu of any remittance required by section 4(a) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 8331 note).

TITLE 10, UNITED STATES CODE

* * * * * * *

Subtitle A—General Military Law

* * * * * * *

PART I—ORGANIZATION AND GENERAL MILITARY POWERS

* * * * * * *

CHAPTER 21—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

* * * * * * *

SUBCHAPTER I—GENERAL MATTERS

Sec.
421. Funds for foreign cryptologic support.
[422. Counterintelligence official reception and representation expenses.]
422. Use of funds for certain incidental purposes.

* * * * * * *

[§ 422. Counterintelligence official reception and representation expenses]

§ 422. Use of funds for certain incidental purposes

(a) COUNTERINTELLIGENCE OFFICIAL RECEPTION AND REPRESENTATION EXPENSES.—The Secretary of Defense may use funds available to the Department of Defense for counterintelligence programs to pay the expenses of hosting foreign officials in the United States under the auspices of the Department of Defense for consultation on counterintelligence matters.

(b) PROMOTIONAL ITEMS FOR RECRUITMENT PURPOSES.—The Secretary of Defense may use funds available for an intelligence element of the Department of Defense to purchase promotional items of nominal value for use in the recruitment of individuals for employment by that element.

* * * * * * *

CHAPTER 22—NATIONAL IMAGERY AND MAPPING AGENCY

* * * * * * *

SUBCHAPTER III—PERSONNEL MANAGEMENT

* * * * * * *

§ 462. Financial assistance to certain employees in acquisition of critical skills

The Secretary of Defense may establish an undergraduate training program with respect to civilian employees of the National Imagery and Mapping Agency that is similar in purpose, conditions, content, and administration to the program established by the Secretary of Defense under section 16 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) for civilian employees of the National Security Agency.

* * * * * * *

PART IV—SERVICE, SUPPLY, AND PROCUREMENT

* * * * * * *

CHAPTER 152—ISSUE OF SUPPLIES, SERVICES, AND FACILITIES

* * * * * * *

§ 2555. Nuclear test monitoring equipment: furnishing to foreign governments

(a) AUTHORITY TO [CONVEY OR] *TRANSFER TITLE TO OR OTHERWISE* PROVIDE NUCLEAR TEST MONITORING EQUIPMENT.—Subject to subsection (b), the Secretary of Defense may—

(1) [convey] *transfer title* or otherwise provide to a foreign government (A) equipment for the monitoring of nuclear test explosions, and (B) associated equipment; [and]

(2) as part of any such conveyance or provision of equipment, install such equipment on foreign territory or in international waters[.]*; and*

(3) inspect, test, maintain, repair, or replace any such equipment.

(b) AGREEMENT REQUIRED.—Nuclear test explosion monitoring equipment may be [conveyed or otherwise provided] *provided to a foreign government* under subsection (a) only pursuant to the terms of an agreement between the United States and the foreign government receiving the equipment in which the recipient foreign government agrees—

(1) to provide the United States with timely access to the data produced, collected, or generated by the equipment; *and*

(2) to permit the Secretary of Defense to take such measures as the Secretary considers necessary to inspect, test, maintain,

repair, or replace that equipment, including access for purposes of such measures[; and].

[(3) to return such equipment to the United States (or allow the United States to recover such equipment) if either party determines that the agreement no longer serves its interests.]

* * * * * * *

SECTION 506 OF THE INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1996

SEC. 506. ENHANCEMENT OF CAPABILITIES OF CERTAIN ARMY FACILITIES.

(a) * * *

(b) SOURCE OF FUNDS.—Funds available for the Army for operations and maintenance for fiscal years [2000 and 2001] *2002 and 2003* shall be available to carry out subsection (a).

* * * * * * *

SECTION 1012 OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1995

SEC. 1012. OFFICIAL IMMUNITY FOR AUTHORIZED EMPLOYEES AND AGENTS OF THE UNITED STATES AND FOREIGN COUNTRIES ENGAGED IN INTERDICTION OF AIRCRAFT USED IN ILLICIT DRUG TRAFFICKING.

(a) EMPLOYEES AND AGENTS OF FOREIGN COUNTRIES.—Notwithstanding any other provision of law, it shall not be unlawful for authorized employees or agents of a foreign country (including members of the armed forces of that country) to interdict or attempt to interdict an aircraft in that country's territory or airspace if—

(1) * * *

(2) the President of the United States[, before the interdiction occurs, has determined] *has, during the 12-month period ending on the date of the interdiction, certified to Congress* with respect to that country that—

(A) interdiction is necessary because of the extraordinary threat posed by illicit drug trafficking to the national security of that country; and

(B) the country has appropriate procedures in place to protect against innocent loss of life in the air and on the ground in connection with interdiction, which shall at a minimum include effective means to identify and warn an aircraft before the use of force directed against the aircraft.

* * * * * * *

(c) ANNUAL REPORTS.—(1) Not later than February 1 each year, the President shall submit to Congress a report on the assistance provided under subsection (b) during the preceding calendar year. Each report shall include for the calendar year covered by such report the following:

(A) A list specifying each country for which a certification referred to in subsection (a)(2) was in effect for purposes of that subsection during any portion of such calendar year, including

the nature of the illicit drug trafficking threat to each such country.

(B) A detailed explanation of the procedures referred to in subsection (a)(2)(B) in effect for each country listed under subparagraph (A), including any training and other mechanisms in place to ensure adherence to such procedures.

(C) A complete description of any assistance provided under subsection (b).

(D) A summary description of the aircraft interception activity for which the United States Government provided any form of assistance under subsection (b).

(2) Each report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

[(c)**]** *(d)* DEFINITIONS.—For purposes of this section:

(1) * * *

* * * * * * *

○