

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR
 2005

JUNE 21, 2004.—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

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 4548]

[Including cost estimate of the Congressional Budget Office]

The Permanent Select Committee on Intelligence, to whom was referred the bill (H.R. 4548) to authorize appropriations for fiscal year 2005 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.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Intelligence Authorization Act for Fiscal Year 2005”.

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

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

- Sec. 101. Authorization of appropriations.
- Sec. 102. Classified schedule of authorizations.
- Sec. 103. Personnel ceiling adjustments.
- Sec. 104. Intelligence Community Management Account.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

- Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

- Sec. 301. Increase in employee compensation and benefits authorized by law.
- Sec. 302. Restriction on conduct of intelligence activities.
- Sec. 303. Assistant Director of Central Intelligence for Information Management.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. Permanent extension of Central Intelligence Agency voluntary separation incentive program.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

Sec. 501. National Security Agency Emerging Technologies Panel.

TITLE VI—EDUCATION

Subtitle A—National Security Education Program

- Sec. 601. Provision for annual funding.
 Sec. 602. Modification of obligated service requirements under the National Security Education Program.
 Sec. 603. Improvements to the National Flagship Language Initiative.
 Sec. 604. Establishment of scholarship program for English language studies for heritage community citizens of the United States within the National Security Education Program.

Subtitle B—Improvement in Intelligence Community Foreign Language Skills

- Sec. 611. Assistant Director of Central Intelligence for Language and Education.
 Sec. 612. Requirement for foreign language proficiency for advancement to certain senior level positions in the intelligence community.
 Sec. 613. Advancement of foreign languages critical to the intelligence community.
 Sec. 614. Pilot project for Civilian Linguist Reserve Corps.
 Sec. 615. Codification of establishment of the National Virtual Translation Center.
 Sec. 616. Report on recruitment and retention of qualified instructors of the Defense Language Institute.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2005 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 Department of Justice.
- (10) The Federal Bureau of Investigation.
- (11) The National Reconnaissance Office.
- (12) The National Geospatial-Intelligence Agency.
- (13) The Coast Guard.
- (14) The Department of Homeland Security.

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, 2005, 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. 4548 of the One Hundred Eighth 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 2005 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall notify promptly 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 In-

telligence for fiscal year 2005 the sum of \$318,395,000. Within such amount, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for advanced research and development shall remain available until September 30, 2006.

(b) **AUTHORIZED PERSONNEL LEVELS.**—The elements within the Intelligence Community Management Account of the Director of Central Intelligence are authorized 310 full-time personnel as of September 30, 2005. 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 2005 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts for research and development shall remain available until September 30, 2006.

(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, 2005, there are also 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 2005 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 of less than 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), \$29,811,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, testing, and evaluation purposes shall remain available until September 30, 2006, and funds provided for procurement purposes shall remain available until September 30, 2007.

(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.

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 2005 the sum of \$239,400,000.

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. ASSISTANT DIRECTOR OF CENTRAL INTELLIGENCE FOR INFORMATION MANAGEMENT.

(a) **ESTABLISHMENT OF POSITION WITHIN THE OFFICE OF THE DIRECTOR OF CENTRAL INTELLIGENCE.**—Subsection (e)(2) of section 102 of the National Security Act of 1947 (50 U.S.C. 403) is amended—

(1) by striking subparagraph (G); and

(2) by inserting after subparagraph (F) the following new subparagraph (G):

“(G) The Assistant Director of Central Intelligence for Information Management.”

(b) **DUTIES.**—Section 102 of such Act (50 U.S.C. 403) is amended—

(1) by striking subsection (h); and

(2) by inserting after subsection (g) the following new subsection (h):

“(h) **ASSISTANT DIRECTOR OF CENTRAL INTELLIGENCE FOR INFORMATION MANAGEMENT.**—(1) To assist the Director of Central Intelligence in carrying out the Director’s responsibilities under this Act, there shall be an Assistant Director of Central Intelligence for Information Management who shall be appointed by the President, by and with the advice and consent of the Senate. The Assistant Director of Central Intelligence for Information Management is the chief information officer of the intelligence community.

“(2) Subject to the direction of the Director of Central Intelligence, the Assistant Director of Central Intelligence for Information Management shall—

“(A) manage activities relating to the information technology infrastructure and enterprise architecture requirements of the intelligence community;

“(B) have procurement approval authority over all information technology items related to the enterprise architectures of all intelligence community components;

“(C) direct and manage all information technology-related procurement for the intelligence community; and

“(D) ensure that all expenditures for information technology and research and development activities are consistent with the intelligence community enterprise architecture and the strategy of the Director of Central Intelligence for such architecture.

“(3) An individual serving in the position of Assistant Director of Central Intelligence for Information Management may not, while so serving, serve as the chief information officer of any other agency or department, or component thereof, of the United States.”

(c) **REFERENCES.**—Any reference to the Assistant Director of Central Intelligence for Administration in any law, regulation, document, paper, or other record of the United States shall be deemed to be a reference to the Assistant Director of Central Intelligence for Information Management.

TITLE IV—CENTRAL INTELLIGENCE AGENCY**SEC. 401. PERMANENT EXTENSION OF CENTRAL INTELLIGENCE AGENCY VOLUNTARY SEPARATION INCENTIVE PROGRAM.**

(a) **EXTENSION OF PROGRAM.**—Section 2 of the Central Intelligence Agency Voluntary Separation Pay Act (50 U.S.C. 403–4 note) is amended—

(1) by striking subsection (f); and

(2) by redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(b) **TERMINATION OF FUNDS REMITTANCE REQUIREMENT.**—(1) Section 2 of such Act (50 U.S.C. 403–4 note) is further amended by striking subsection (i).

(2) Section 4(a)(2)(B)(ii) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 8331 note) is amended by striking “, or section 2 of the Central Intelligence Agency Voluntary Separation Pay Act (Public Law 103–36; 107 Stat. 104)”.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. NATIONAL SECURITY AGENCY EMERGING TECHNOLOGIES PANEL.

The National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by adding at the end the following new section:

“SEC. 19. (a) There is established the National Security Agency Emerging Technologies Panel. The panel is a standing panel of the National Security Agency. The panel shall be appointed by, and shall report directly to, the Director.

“(b) The National Security Agency Emerging Technologies Panel shall study and assess, and periodically advise the Director on, the research, development, and application of existing and emerging science and technology advances, advances on encryption, and other topics.

“(c) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the National Security Agency Emerging Technologies Panel.”.

TITLE VI—EDUCATION

Subtitle A—National Security Education Program

SEC. 601. PROVISION FOR ANNUAL FUNDING.

(a) IN GENERAL.—Title VIII of the Intelligence Authorization Act for Fiscal Year 1992 (Public Law 102–183; 105 Stat. 1271), as amended by section 311(c) of the Intelligence Authorization Act for Fiscal Year 1994 (Public Law 103–178; 107 Stat. 2037), is amended by adding at the end of section 810 the following new subsection:

“(c) FUNDING FROM INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT FOR FISCAL YEARS BEGINNING WITH FISCAL YEAR 2005.—In addition to amounts that may be made available to the Secretary under the Fund for a fiscal year, the Director of Central Intelligence shall transfer to the Secretary from amounts appropriated for the Intelligence Community Management Account for each fiscal year, beginning with fiscal year 2005, \$8,000,000, to carry out the scholarship, fellowship, and grant programs under subparagraphs (A), (B), and (C), respectively, of section 802(a)(1).”.

(b) CONFORMING AMENDMENT.—Section 802(a)(2) of such Act (50 U.S.C. 1902(a)(2)) is amended in the matter preceding subparagraph (A) by inserting “or from a transfer under section 810(c)” after “National Security Education Trust Fund”.

SEC. 602. MODIFICATION OF OBLIGATED SERVICE REQUIREMENTS UNDER THE NATIONAL SECURITY EDUCATION PROGRAM.

(a) IN GENERAL.—Subsection (b)(2) of section 802 of title VIII of the Intelligence Authorization Act for Fiscal Year 1992 (Public Law 102–183; 105 Stat. 1273), as amended by section 925(a) of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1578), is amended by striking subparagraphs (A) and (B), and inserting the following:

“(A) in the case of a recipient of a scholarship, as soon as practicable but in no case later than three years after the completion by the recipient of the study for which scholarship assistance was provided under the program, the recipient shall work for a period of one year—

“(i) in a national security position that the Secretary certifies is appropriate to use the unique language and region expertise acquired by the recipient pursuant to such study in the Department of Defense, in any element of the intelligence community, in the Department of Homeland Security, or in the Department of State; or

“(ii) in such a position in any other Federal department or agency not referred to in clause (i) if the recipient demonstrates to the Secretary that no position is available in a Federal department or agency specified in clause (i); or

“(B) in the case of a recipient of a fellowship, as soon as practicable but in no case later than two years after the completion by the recipient of the study for which fellowship assistance was provided under the program, the recipient shall work for a period equal to the duration of assistance provided under the program, but in no case less than one year—

“(i) in a position described in subparagraph (A)(i) that the Secretary certifies is appropriate to use the unique language and region expertise acquired by the recipient pursuant to such study; or

“(ii) in such a position in any other Federal department or agency not referred to in clause (i) if the recipient demonstrates to the Secretary that no position is available in a Federal department or agency specified in clause (i); and”.

(b) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out the amendment made by subsection (a). In prescribing such regulations, the Secretary shall establish standards that recipients of scholarship and fellowship assistance under the program under such section 802 are required to demonstrate to satisfy the requirement of a good faith effort to gain employment as required under subparagraphs (A) and (B) of subsection (b)(2) of such section.

(c) APPLICABILITY.—(1) The amendment made by subsection (a) shall apply with respect to service agreements entered into under the David L. Boren National Security Education Act of 1991 on or after the date of the enactment of this Act.

(2) The amendment made by subsection (a) shall not affect the force, validity, or terms of any service agreement entered into under the David L. Boren National Security Education Act of 1991 before the date of the enactment of this Act that is in force as of that date.

SEC. 603. IMPROVEMENTS TO THE NATIONAL FLAGSHIP LANGUAGE INITIATIVE.

(a) INCREASE IN ANNUAL FUNDING.—Title VIII of the Intelligence Authorization Act for Fiscal Year 1992 (Public Law 102–183; 105 Stat. 1271), as amended by section 311(c) of the Intelligence Authorization Act for Fiscal Year 1994 (Public Law 103–178; 107 Stat. 2037) and by section 333(b) of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2397), is amended by striking section 811 and inserting the following new section 811:

“SEC. 811. FUNDING FOR THE NATIONAL FLAGSHIP LANGUAGE INITIATIVE.

“(a) AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 2003 and 2004.—In addition to amounts that may be made available to the Secretary under the Fund for a fiscal year, there is authorized to be appropriated to the Secretary for each fiscal year, beginning with fiscal year 2003, \$10,000,000, to carry out the grant program for the National Flagship Language Initiative under section 802(a)(1)(D).

“(b) FUNDING FROM INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT FOR FISCAL YEARS BEGINNING WITH FISCAL YEAR 2005.—In addition to amounts that may be made available to the Secretary under the Fund for a fiscal year, the Director of Central Intelligence shall transfer to the Secretary from amounts appropriated for the Intelligence Community Management Account for each fiscal year, beginning with fiscal year 2005, \$12,000,000, to carry out the grant program for the National Flagship Language Initiative under section 802(a)(1)(D).

“(c) AVAILABILITY OF APPROPRIATED FUNDS.—Amounts made available under this section shall remain available until expended.”.

(b) REQUIREMENT FOR EMPLOYMENT AGREEMENTS.—(1) Section 802(i) of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902(i)) is amended by adding at the end the following new paragraph:

“(5)(A) In the case of an undergraduate or graduate student that participates in training in programs under paragraph (1), the student shall enter into an agreement described in subsection (b), other than such a student who has entered into such an agreement pursuant to subparagraph (A)(ii) or (B)(ii) of section 802(a)(1).

“(B) In the case of an employee of an agency or department of the Federal Government that participates in training in programs under paragraph (1), the employee shall agree in writing—

“(i) to continue in the service of the agency or department of the Federal Government employing the employee for the period of such training;

“(ii) to continue in the service of such agency or department employing the employee following completion of such training for a period of two years for each year, or part of the year, of such training;

“(iii) to reimburse the United States for the total cost of such training (excluding the employee’s pay and allowances) provided to the employee if, before the completion by the employee of the training, the employment of the employee by the agency or department is terminated due to misconduct by the employee or by the employee voluntarily; and

“(iv) to reimburse the United States if, after completing such training, the employment of the employee by the agency or department is terminated either by the agency or department due to misconduct by the employee or by the employee voluntarily, before the completion by the employee of the period of service required in clause (ii), in an amount that bears the same ratio to the total cost of the training (excluding the employee’s pay and allowances) provided to the employee as the unserved portion of such period of service bears to the total period of service under clause (ii).

“(C) Subject to subparagraph (D), the obligation to reimburse the United States under an agreement under subparagraph (A) is for all purposes a debt owing the United States.

“(D) The head of an element of the intelligence community may release an employee, in whole or in part, from the obligation to reimburse the United States under an agreement under subparagraph (A) when, in the discretion of the head of the element, the head of the element determines that equity or the interests of the United States so require.”

(2) The amendment made by paragraph (1) shall apply to training that begins on or after the date that is 90 days after the date of the enactment of this Act.

(c) INCREASE IN THE NUMBER OF PARTICIPATING EDUCATIONAL INSTITUTIONS.—The Secretary of Defense shall take such steps as the Secretary determines will increase the number of qualified educational institutions that receive grants under the National Flagship Language Initiative to establish, operate, or improve activities designed to train students in programs in a range of disciplines to achieve advanced levels of proficiency in those foreign languages that the Secretary identifies as being the most critical in the interests of the national security of the United States.

(d) CLARIFICATION OF AUTHORITY TO SUPPORT STUDIES ABROAD.—Educational institutions that receive grants under the National Flagship Language Initiative may support students who pursue total immersion foreign language studies overseas of foreign languages that are critical to the national security of the United States.

SEC. 604. ESTABLISHMENT OF SCHOLARSHIP PROGRAM FOR ENGLISH LANGUAGE STUDIES FOR HERITAGE COMMUNITY CITIZENS OF THE UNITED STATES WITHIN THE NATIONAL SECURITY EDUCATION PROGRAM.

(a) SCHOLARSHIP PROGRAM FOR ENGLISH LANGUAGE STUDIES FOR HERITAGE COMMUNITY CITIZENS OF THE UNITED STATES.—(1) Subsection (a)(1) of section 802 of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902) is amended—

- (A) by striking “and” at the end of subparagraph (C);
- (B) by striking the period at the end of subparagraph (D) and inserting “; and”; and
- (C) by adding at the end the following new subparagraph:

“(E) awarding scholarships to students who—

“(i) are United States citizens who—

“(I) are native speakers (commonly referred to as heritage community residents) of a foreign language that is identified as critical to the national security interests of the United States who should be actively recruited for employment by Federal security agencies with a need for linguists; and

“(II) are not proficient at a professional level in the English language with respect to reading, writing, and interpersonal skills required to carry out the national security interests of the United States, as determined by the Secretary,

to enable such students to pursue English language studies at an institution of higher education of the United States to attain proficiency in those skills; and

“(ii) enter into an agreement to work in a national security position or work in the field of education in the area of study for which the scholarship was awarded in a similar manner (as determined by the Secretary) as agreements entered into pursuant to subsection (b)(2)(A).”

(2) The matter following subsection (a)(2) of such section is amended—

(A) in the first sentence, by inserting “or for the scholarship program under paragraph (1)(E)” after “under paragraph (1)(D) for the National Flagship Language Initiative described in subsection (i)”; and

(B) by adding at the end the following: “For the authorization of appropriations for the scholarship program under paragraph (1)(E), see section 812.”

(3) Section 803(d)(4)(E) of such Act (50 U.S.C. 1903(d)(4)(E)) is amended by inserting before the period the following: “and section 802(a)(1)(E) (relating to scholarship programs for advanced English language studies by heritage community residents)”.

(b) FUNDING.—The David L. Boren National Security Education Act of 1991 (50 U.S.C. 1901 et seq.) is amended by adding at the end the following new section:

“SEC. 812. FUNDING FOR SCHOLARSHIP PROGRAM FOR CERTAIN HERITAGE COMMUNITY RESIDENTS.

“(a) FUNDING FROM INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.—In addition to amounts that may be made available to the Secretary under the Fund for a fiscal year, the Director of Central Intelligence shall transfer to the Secretary from amounts appropriated for the Intelligence Community Management Account for

each fiscal year, beginning with fiscal year 2005, \$4,000,000, to carry out the scholarship programs for English language studies by certain heritage community residents under section 802(a)(1)(E).

“(b) AVAILABILITY OF FUNDS.—Amounts made available under subsection (a) shall remain available until expended.”.

Subtitle B—Improvement in Intelligence Community Foreign Language Skills

SEC. 611. ASSISTANT DIRECTOR OF CENTRAL INTELLIGENCE FOR LANGUAGE AND EDUCATION.

(a) IN GENERAL.—Section 102 of the National Security Act of 1947 (50 U.S.C. 403) is amended—

(1) by adding at the end the following new subsection:

“(i) ASSISTANT DIRECTOR OF CENTRAL INTELLIGENCE FOR LANGUAGE AND EDUCATION.—(1) To assist the Director of Central Intelligence in carrying out the Director’s responsibilities under this Act, there shall be an Assistant Director of Central Intelligence for Language and Education who shall be appointed by the President, by and with the advice and consent of the Senate.

“(2) The Assistant Director of Central Intelligence for Language and Education shall carry out the following duties:

“(A) Overseeing and coordinating requirements for foreign language education and training of the intelligence community.

“(B) Establishing policy, standards, and priorities relating to such requirements.

“(C) Identifying languages that are critical to the capability of the intelligence community to carry out national security activities of the United States.

“(D) Monitoring the allocation of resources for foreign language education and training in order to ensure the requirements of the intelligence community with respect to foreign language proficiency are met.”;

(2) in subsection (d)(2) by adding at the end the following:

“(E) Through the Assistant Director of Central Intelligence for Language and Education, ensuring the foreign language education and training requirements of the intelligence community are met.”; and

(3) in subsection (e)(2)—

(A) by redesignating subparagraph (H) as subparagraph (I); and

(B) by inserting after subparagraph (G) the following new subparagraph

(H):

“(H) The Assistant Director of Central Intelligence for Education and Language.”

(b) REPORTS.—Not later than 1 year after the date on which the Assistant Director of Central Intelligence for Language and Education is first appointed under section 102(i) of the National Security Act of 1947, as added by subsection (a), the Assistant Director shall submit to Congress the following reports:

(1) A report that identifies—

(A) skills and processes involved in learning a foreign language; and

(B) characteristics and teaching techniques that are most effective in teaching foreign languages.

(2)(A) A report that identifies foreign language heritage communities, particularly such communities that include speakers of languages that are critical to the national security of the United States.

(B) For purposes of subparagraph (A), the term “foreign language heritage community” means a community of residents or citizens of the United States—

(i) who are native speakers of, or who have fluency in, a foreign language; and

(ii) who should be actively recruited for employment by Federal security agencies with a need for linguists.

(3) A report on—

(A) the estimated cost of establishing a program under which the heads of elements of the intelligence community agree to repay employees of the intelligence community for any student loan taken out by that employee for the study of foreign languages critical for the national security of the United States; and

(B) the effectiveness of such a program in recruiting and retaining highly qualified personnel in the intelligence community.

SEC. 612. REQUIREMENT FOR FOREIGN LANGUAGE PROFICIENCY FOR ADVANCEMENT TO CERTAIN SENIOR LEVEL POSITIONS IN THE INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—Section 104 of the National Security Act of 1947 (50 U.S.C. 403–4) is amended by adding at the end the following new subsection:

“(i) REQUIREMENT FOR FOREIGN LANGUAGE PROFICIENCY FOR CERTAIN SENIOR LEVEL POSITIONS IN THE CENTRAL INTELLIGENCE AGENCY.—(1) An individual may not be appointed to a position in the Senior Intelligence Service in the Directorate of Intelligence or the Directorate of Operations of the Central Intelligence Agency unless the Director of Central Intelligence determines that the individual—

“(A) has been certified as having a professional speaking and reading proficiency in a foreign language, such proficiency being at least level 3 on the Interagency Language Roundtable Language Skills Level or commensurate proficiency level on such other indicator of proficiency as the Director determines to be appropriate; and

“(B) is able to effectively communicate the priorities of the United States and exercise influence in that foreign language.

“(2) The Director shall carry out this subsection through the Assistant Director of Central Intelligence for Language and Education.”.

(b) CONFORMING AMENDMENT.—Subsection (i) of section 102 of the National Security Act of 1947 (50 U.S.C. 403), as added by section 611(a), is amended in paragraph (2) by adding at the end the following new subparagraph:

“(E) Making determinations under section 104(i).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to appointments made on or after the date that is one year after the date of the enactment of this Act.

(d) REPORT ON EXCEPTIONS.—The Director of Central Intelligence shall submit to Congress a report that identifies positions within the Senior Intelligence Service in the Directorate of Intelligence or the Directorate of Operations of the Central Intelligence Agency that should be exempt from the requirements of section 104(i) of the National Security Act of 1947, as added by subsection (a), and that includes the rationale for the exemption of each such position identified by the Director.

SEC. 613. ADVANCEMENT OF FOREIGN LANGUAGES CRITICAL TO THE INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—Title X of the National Security Act of 1947 (50 U.S.C. is amended—

(1) by inserting before section 1001 (50 U.S.C. 441g) the following:

“Subtitle A—Science and Technology”; and

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

“Subtitle B—Foreign Languages Program

“PROGRAM ON ADVANCEMENT OF FOREIGN LANGUAGES CRITICAL TO THE INTELLIGENCE COMMUNITY

“SEC. 1011. (a) ESTABLISHMENT OF PROGRAM.—The Secretary of Defense and the Director of Central Intelligence may jointly establish a program to advance foreign languages skills in languages that are critical to the capability of the intelligence community to carry out national security activities of the United States (hereinafter in this subtitle referred to as the ‘Foreign Languages Program’).

“(b) IDENTIFICATION OF REQUISITE ACTIONS.—In order to carry out the Foreign Languages Program, the Secretary of Defense and the Director of Central Intelligence shall jointly determine actions required to improve the education of personnel in the intelligence community in foreign languages that are critical to the capability of the intelligence community to carry out national security activities of the United States to meet the long-term intelligence needs of the United States.

“EDUCATION PARTNERSHIPS

“SEC. 1012. (a) IN GENERAL.—In carrying out the Foreign Languages Program, the head of an element of an intelligence community entity may enter into one or more education partnership agreements with educational institutions in the United States in order to encourage and enhance the study of foreign languages that are critical to the capability of the intelligence community to carry out national security activities of the United States in educational institutions.

“(b) ASSISTANCE PROVIDED UNDER EDUCATIONAL PARTNERSHIP AGREEMENTS.—Under an educational partnership agreement entered into with an educational institution pursuant to this section, the head of an element of an intelligence community entity may provide the following assistance to the educational institution:

“(1) The loan of equipment and instructional materials of the element of the intelligence community entity to the educational institution for any purpose and duration that the head determines to be appropriate.

“(2) Notwithstanding any other provision of law relating to transfers of surplus property, the transfer to the educational institution of any computer equipment, or other equipment, that is—

“(A) commonly used by educational institutions;

“(B) surplus to the needs of the entity; and

“(C) determined by the head of the element to be appropriate for support of such agreement.

“(3) The provision of dedicated personnel to the educational institution—

“(A) to teach courses in foreign languages that are critical to the capability of the intelligence community to carry out national security activities of the United States; or

“(B) to assist in the development of such courses and materials for the institution.

“(4) The involvement of faculty and students of the educational institution in research projects of the element of the intelligence community entity.

“(5) Cooperation with the educational institution in developing a program under which students receive academic credit at the educational institution for work on research projects of the element of the intelligence community entity.

“(6) The provision of academic and career advice and assistance to students of the educational institution.

“(7) The provision of cash awards and other items that the head of the element of the intelligence community entity determines to be appropriate.

“VOLUNTARY SERVICES

“SEC. 1013. (a) AUTHORITY TO ACCEPT SERVICES.—Notwithstanding section 1342 of title 31, United States Code, and subject to subsection (b), the Foreign Languages Program under section 1011 shall include authority for the head of an element of an intelligence community entity to accept from any individual who is dedicated personnel (as defined in section 1016(3)) voluntary services in support of the activities authorized by this subtitle.

“(b) REQUIREMENTS AND LIMITATIONS.—(1) In accepting voluntary services from an individual under subsection (a), the head of the element shall—

“(A) supervise the individual to the same extent as the head of the element would supervise a compensated employee of that element providing similar services; and

“(B) ensure that the individual is licensed, privileged, has appropriate educational or experiential credentials, or is otherwise qualified under applicable law or regulations to provide such services.

“(2) In accepting voluntary services from an individual under subsection (a), the head of an element of the intelligence community entity may not—

“(A) place the individual in a policymaking position, or other position performing inherently government functions; or

“(B) except as provided in subsection (e), compensate the individual for the provision of such services.

“(c) AUTHORITY TO RECRUIT AND TRAIN INDIVIDUALS PROVIDING SERVICES.—The head of an element of an intelligence community entity may recruit and train individuals to provide voluntary services accepted under subsection (a).

“(d) STATUS OF INDIVIDUALS PROVIDING SERVICES.—(1) Subject to paragraph (2), while providing voluntary services accepted under subsection (a) or receiving training under subsection (c), an individual shall be considered to be an employee of the Federal Government only for purposes of the following provisions of law:

“(A) Subchapter I of chapter 81 of title 5, United States Code (relating to compensation for work-related injuries).

“(B) Section 552a of title 5, United States Code (relating to maintenance of records on individuals).

“(C) Chapter 11 of title 18, United States Code (relating to conflicts of interest).

“(2)(A) With respect to voluntary services accepted under paragraph (1) provided by an individual that are within the scope of the services so accepted, the individual is deemed to be a volunteer of a governmental entity or nonprofit institution for purposes of the Volunteer Protection Act of 1997 (42 U.S.C. 14501 et seq.).

“(B) In the case of any claim against such an individual with respect to the provision of such services, section 4(d) of such Act (42 U.S.C. 14503(d)) shall not apply.

“(3) Acceptance of voluntary services under this section shall have no bearing on the issuance or renewal of a security clearance.

“(e) COMPENSATION FOR WORK-RELATED INJURIES.—For purposes of determining the compensation for work-related injuries payable under chapter 81 of title 5, United States Code, to an individual providing voluntary services accepted under subsection (a), the monthly pay of the individual for such services is deemed to be equal to the amount determined by multiplying—

“(1) the average monthly number of hours that the individual provided the services, by

“(2) the minimum wage determined in accordance with section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)).

“(f) REIMBURSEMENT OF INCIDENTAL EXPENSES.—(1) The head of an element of the intelligence community entity may reimburse an individual for incidental expenses incurred by the individual in providing voluntary services accepted under subsection (a). The head of an element of the intelligence community entity shall determine which expenses are eligible for reimbursement under this subsection.

“(2) Reimbursement under paragraph (1) may be made from appropriated or non-appropriated funds.

“(g) AUTHORITY TO INSTALL EQUIPMENT.—(1) The head of an element of the intelligence community may install telephone lines and any necessary telecommunication equipment in the private residences of individuals who provide voluntary services accepted under subsection (a).

“(2) The head of an element of the intelligence community may pay the charges incurred for the use of equipment installed under paragraph (1) for authorized purposes.

“(3) Notwithstanding section 1348 of title 31, United States Code, the head of an element of the intelligence community entity may use appropriated funds or non-appropriated funds of the element in carrying out this subsection.

“REGULATIONS

“SEC. 1014. (a) IN GENERAL.—The Secretary of Defense and the Director of Central Intelligence jointly shall promulgate regulations necessary to carry out the Foreign Languages Program authorized under this subtitle.

“(b) ELEMENTS OF THE INTELLIGENCE COMMUNITY.—Each head of an element of an intelligence community entity shall prescribe regulations to carry out sections 1012 and 1013 with respect to that element including the following:

“(1) Procedures to be utilized for the acceptance of voluntary services under section 1013.

“(2) Procedures and requirements relating to the installation of equipment under section 1013(g).

“DEFINITIONS

“SEC. 1015. In this subtitle:

“(1) The term ‘intelligence community entity’ means an agency, office, bureau, or element referred to in subparagraphs (B) through (K) of section 3(4).

“(2) The term ‘educational institution’ means—

“(A) a local educational agency (as that term is defined in section 9101(26) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(26))),

“(B) an institution of higher education (as defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002) other than institutions referred to in subsection (a)(1)(C) of such section), or

“(C) any other nonprofit institution that provides instruction of foreign languages in languages that are critical to the capability of the intelligence community to carry out national security activities of the United States.

“(3) The term ‘dedicated personnel’ means employees of the intelligence community and private citizens (including former civilian employees of the Federal Government who have been voluntarily separated, and members of the United States Armed Forces who have been honorably discharged or generally discharged under honorable circumstances, and rehired on a voluntary basis specifically to perform the activities authorized under this subtitle).

“Subtitle C—Additional Education Provisions

“ASSIGNMENT OF INTELLIGENCE COMMUNITY PERSONNEL AS LANGUAGE STUDENTS

“SEC. 1021. (a) IN GENERAL.—The Director of Central Intelligence, acting through the heads of the elements of the intelligence community, may assign employees of such elements in analyst positions requiring foreign language expertise as students at accredited professional, technical, or other institutions of higher education for training at the graduate or undergraduate level in foreign languages required for the conduct of duties and responsibilities of such positions.

“(b) AUTHORITY FOR REIMBURSEMENT OF COSTS OF TUITION AND TRAINING.—(1) The Director may reimburse an employee assigned under subsection (a) for the total cost of the training described in subsection (a), including costs of educational and supplementary reading materials.

“(2) The authority under paragraph (1) shall apply to employees who are assigned on a full-time or part-time basis.

“(3) Reimbursement under paragraph (1) may be made from appropriated or non-appropriated funds.

“(c) RELATIONSHIP TO COMPENSATION AS AN ANALYST.—Reimbursement under this section to an employee who is an analyst is in addition to any benefits, allowances, travels, or other compensation the employee is entitled to by reason of serving in such an analyst position.”

(b) CLERICAL AMENDMENT.—The table of contents for the National Security Act of 1947 is amended by striking the item relating to section 1001 and inserting the following new items:

“Subtitle A—Science and Technology

“Sec. 1001. Scholarships and work-study for pursuit of graduate degrees in science and technology.

“Subtitle B—Foreign Languages Program

“Sec. 1011. Program on advancement of foreign languages critical to the intelligence community.

“Sec. 1012. Education partnerships.

“Sec. 1013. Voluntary services.

“Sec. 1014. Regulations.

“Sec. 1015. Definitions.

“Subtitle C—Additional Education Provisions

“Sec. 1021. Assignment of intelligence community personnel as language students.”.

SEC. 614. PILOT PROJECT FOR CIVILIAN LINGUIST RESERVE CORPS.

(a) PILOT PROJECT.—The Director of Central Intelligence shall conduct a pilot project to establish a Civilian Linguist Reserve Corps comprised of United States citizens with advanced levels of proficiency in foreign languages who would be available upon a call of the President to perform such service or duties with respect to such foreign languages in the Federal Government as the President may specify.

(b) CONDUCT OF PROJECT.—Taking into account the findings and recommendations contained in the report required under section 325 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107-306; 116 Stat. 2393), in conducting the pilot project under subsection (a) the Director of Central Intelligence shall—

(1) identify several foreign languages that are critical for the national security of the United States;

(2) identify United States citizens with advanced levels of proficiency in those foreign languages who would be available to perform the services and duties referred to in subsection (a); and

(3) implement a call for the performance of such services and duties.

(c) DURATION OF PROJECT.—The pilot project under subsection (a) shall be conducted for a three-year period.

(d) AUTHORITY TO ENTER INTO CONTRACTS.—The Director of Central Intelligence may enter into contracts with appropriate agencies or entities to carry out the pilot project under subsection (a).

(e) REPORTS.—(1) The Director of Central Intelligence shall submit to Congress an initial and a final report on the pilot project conducted under subsection (a).

(2) Each report required under paragraph (1) shall contain information on the operation of the pilot project, the success of the pilot project in carrying out the objectives of the establishment of a Civilian Linguist Reserve Corps, and recommendations for the continuation or expansion of the pilot project.

(3) The final report shall be submitted not later than 6 months after the completion of the project.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Director of Central Intelligence for each of fiscal years 2005, 2006, and 2007

in order to carry out the pilot project under subsection (a) such sums as are specified in the classified Schedule of Authorizations referred to section 102.

SEC. 615. CODIFICATION OF ESTABLISHMENT OF THE NATIONAL VIRTUAL TRANSLATION CENTER.

(a) **IN GENERAL.**—Title I of the National Security Act of 1947 (50 U.S.C. 402 et seq.) is amended by adding at the end the following new section:

“NATIONAL VIRTUAL TRANSLATION CENTER

“SEC. 119. (a) **IN GENERAL.**—There is an element of the intelligence community known as the National Virtual Translation Center under the direction of the Director of Central Intelligence.

“(b) **FUNCTION.**—The National Virtual Translation Center shall provide for timely and accurate translations of foreign intelligence for all other elements of the intelligence community.

“(c) **FACILITATING ACCESS TO TRANSLATIONS.**—In order to minimize the need for a central facility for the National Virtual Translation Center, the Center shall—

“(1) use state-of-the-art communications technology;

“(2) integrate existing translation capabilities in the intelligence community; and

“(3) use remote-connection capacities.

“(d) **USE OF SECURE FACILITIES.**—Personnel of the National Virtual Translation Center may carry out duties of the Center at any location that—

“(1) has been certified as a secure facility by an agency or department of the United States; and

“(2) the Director of Central Intelligence determines to be appropriate for such purpose.”.

(b) **CLERICAL AMENDMENT.**—The table of sections for that Act is amended by inserting after the item relating to section 118 the following new item:

“Sec. 119. National Virtual Translation Center.”.

SEC. 616. REPORT ON RECRUITMENT AND RETENTION OF QUALIFIED INSTRUCTORS OF THE DEFENSE LANGUAGE INSTITUTE.

(a) **STUDY.**—The Secretary of Defense shall conduct a study on methods to improve the recruitment and retention of qualified foreign language instructors at the Foreign Language Center of the Defense Language Institute. In conducting the study, the Secretary shall consider, in the case of a foreign language instructor who is an alien, to expeditiously adjust the status of the alien from a temporary status to that of an alien lawfully admitted for permanent residence.

(b) **REPORT.**—(1) Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the appropriate congressional committees a report on the study conducted under subsection (a), and shall include in that report recommendations for such changes in legislation and regulation as the Secretary determines to be appropriate.

(2) **DEFINITION.**—In this subsection, the term “appropriate congressional committees” means the following:

(A) The Select Committee on Intelligence and the Committee on Armed Services of the Senate.

(B) The Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

PURPOSE

The bill would:

(1) Authorize appropriations for fiscal year 2005 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, 2005 for the intelligence and intelligence-related activities of the U.S. Government and permit the Director of Central Intelligence to authorize civilian personnel ceilings in Fiscal Year 2005 for any intelligence element, with the approval of the Director of the Office of Management and Budget;

(3) Authorize \$239.4 million for the Central Intelligence Agency Retirement and Disability Fund (CIARDS) in order to

fully fund the accruing cost of retirement benefits for individuals in the Civil Service Retirement System, CIARDS, and other federal retirement systems;

(4) Amend the National Security Act of 1947 to establish an Assistant Director of Central Intelligence for Information Management to serve as the Chief Information Officer of the intelligence community and to manage the activities relating to the information technology infrastructure and enterprise architecture requirements of the intelligence community;

(5) Amend the Central Intelligence Agency Voluntary Separation Pay Act by repealing the September 30, 2005, termination date, thus providing the CIA with permanent authority to offer incentives to encourage separation restructuring;

(6) Establish the National Security Agency Emerging Technologies Panel to periodically advise the Director of NSA on existing and emerging science and technology advances and other topics;

(7) Increase the effectiveness of the National Security Education Program (NSEP) by authorizing funding to support scholarships, fellowships and grants, increasing repayment options for recipients of scholarships and fellowships, expanding the National Flagship Language Initiative, and by establishing a English language scholarship program for members of heritage communities in the United States; and

(8) Improve the foreign language capabilities of the intelligence community by establishing the position of Assistant Director of Central Intelligence for Language and Education, requiring that individuals appointed to the Senior Intelligence Service possess a foreign language proficiency, directing the establishment of partnerships with educational institutions to advance foreign language skills, and by authorizing a three-year pilot study on establishing a Civilian Language Reserve Corps.

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 classified Schedule of Authorizations. The Committee intends that all intelligence programs 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 XXIII of the Rules of the House of Representatives, and rule 13 of the Rules of Procedure for the House Permanent Select Committee on Intelligence.

SCOPE OF COMMITTEE REVIEW

U.S. intelligence and intelligence-related activities under the jurisdiction of the Committee include the National Foreign Intelligence Program (NFIP), 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, intelligence related, and/or counterintelligence programs conducted by: (1) the Department of Defense; (2) the Defense Intelligence Agency; (3) the National Security Agency; (4) the National Reconnaissance Office; (5) the National Geospatial-Intelligence Agency; (6) the Departments of the Army, Navy, and Air Force; (7) the Department of State; (8) the Department of the Treasury; (9) the Department of Energy; (10) the Department of Justice; (11) the Federal Bureau of Investigation; (12) the Department of Homeland Security; and (13) the U.S. Coast Guard. The Committee has exclusive legislative, authorizing and oversight jurisdiction of these programs.

The Department of Defense TIARA are 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 Committee on Armed Services in the House of Representatives shares oversight and authorizing jurisdiction of the programs comprising TIARA with the Permanent Select Committee on Intelligence.

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 Program (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 Committee on Armed Services in the House of Representatives shares oversight and authorizing jurisdiction of the programs comprising the JMIP with the Permanent Select Committee on Intelligence.

COMMITTEE FINDINGS AND RECOMMENDATIONS

The Committee completed its review of the President's fiscal year 2005 budget request, carrying out its annual responsibility to prepare an authorization based on close examination of intelligence

programs and proposed expenditures. The Committee, and in some cases, its component subcommittees, held 14 budget-related hearings covering all major intelligence programs within the National Foreign Intelligence Program, the Joint Military Intelligence Program, and the Tactical Intelligence and Related Activities accounts, and also covering functional capabilities, such as human intelligence, analysis, counterintelligence, counternarcotics, and counterterrorism.

As always, the Committee's legislative and budgetary actions are based on more than these budget-specific hearings. The actions taken in this bill are the result of the Committee's ongoing, rigorous oversight of the U.S. Intelligence Community. This oversight activity includes scores of Committee and subcommittee hearings on intelligence capabilities, strategies, plans, and challenges each year. In addition, the Committee Members and staff undertake hundreds of briefings and site visits annually.

Deserving of particular note is the time and attention the Committee has devoted to the in-depth study of three broad topics in particular. Over the past year, the Committee has conducted exhaustive reviews of: Intelligence Community language capabilities, all facets of the performance of the U.S. Intelligence Community on Iraq prior to the successful Operation Iraqi Freedom, and the interrogation and treatment of detainees in Iraq and other locations of the Global War on Terrorism (GWOT).

The Committee holds in highest regard the work accomplished by U.S. intelligence officers across the globe. Amid great sacrifice and intense conditions, the men and women of the Intelligence Community continue to perform their missions with great energy, and an enormous devotion to duty. The Committee commends these officers for their professionalism, integrity and perseverance, often in the most difficult of circumstances. The freedom and security of our great nation relies on their success.

Intelligence has been, rightly, recognized as a critical weapon in the GWOT. Resources for—and demands on—the U.S. Intelligence Community have increased dramatically in the two and three-quarters years since the attacks of September 11, 2001. This increase is even more dramatic when one takes into consideration the depth of the cutbacks, underinvestment, and the near fatal loss of political support for the IC in the last administration. Yet, looking at the Community as a whole, the Committee finds continuing gaps in capabilities and fundamental flaws in the management of resources and personnel. To the extent that these concerns may be outlined in an unclassified manner, the Committee has addressed them in the "Areas of Special Interest" section immediately following. A complete discussion of the Committee's oversight findings and recommendations is contained in the classified annex to this report.

This legislation, along with its accompanying report and classified annex, contains the Committee's specific recommendations about where the U.S. Intelligence Community should be heading, how it can posture itself for strategic superiority, and how the fiscal year 2005 intelligence budget should be invested. The classified schedule of authorizations includes the intelligence portion of the Contingent Emergency Reserve (CER), which the Committee views as an integral part of the fiscal year 2005 budget. Funds in the

CER have been requested to address the high intelligence operations tempo in the GWOT—including Afghanistan and Iraq—and related areas.

The Committee applauds the President for taking this major step towards ending the practice—begun in earlier administrations—of funding critical operational intelligence and military requirements via supplemental appropriations. Funding by supplemental is a practice the Committee has addressed in great detail in past reports. Suffice to say, the Committee believes it should end.

In addition to a substantial enhancement for funding critical intelligence priorities related to the GWOT, H.R. 4548:

- Increases investment in U.S. HUMINT (human intelligence) capabilities;
- Improves Intelligence analysis, coverage and depth;
- Strengthens Intelligence Community language capabilities across the board though both improved legislative authorities and additional investment;
- Improves the structure and management of the disparate elements of the intelligence community’s information technology systems; and
- Bolsters U.S. counterintelligence resources and capabilities.

The Committee reported this legislation favorably. For the first time in at least ten years there were dissenting votes as the bill was reported from Committee. And, not just a few. Indeed, despite the positive expression of support for the bill in the classified version of the Minority Views, the eight Minority Members of the Committee who were present at the mark up voted against the “Intelligence Authorization Act for Fiscal Year 2005.” This was a bit startling given the thorough, bipartisan staff preparation for the mark up. In a marked departure from past practice, a number of the amendments offered by the Minority, however, were not shared on a bipartisan basis before the mark up. Taken as a group, the Minority amendments added nothing helpful to the bill or to the range of issues in which the HPSCI is already engaged.

Apparently, the Minority may be unaware that the Senate version of this bill is close to the House version, though slightly less generous in its funding levels. That bill was supported unanimously by both Majority and Minority. That the HPSCI Minority voted to deny the legal authorization to carry out the intelligence work during wartime, while trying to say they support the work of the IC, appears to be excessively contorted. It is noted that the unclassified Minority Views reserves expression of support for the work of the men and women of the Intelligence Community until the penultimate sentence of their views.

MARK UP

Closed Session

Notwithstanding the Minority’s statements to the contrary, the specifics of the mark up discussion are sealed solely because there was substantial discussion of highly classified programs and intelligence information throughout the course of the proceeding. Indeed, discussion and debate on the legislative provisions alone, and amendments thereto, took approximately 3 hours. These included

classified discussions related to the IC's national security need for improved language capabilities; how the IC is performing in the GWOT, particularly the IC's performance in Iraq and Afghanistan; and the need to improve or increase the IC's HUMINT analysis, and technical collection capabilities. It is useful, however, to review the areas of dispute that arose during the Committee's consideration of this legislation. During the course of this consideration, Minority Members offered seven amendments.

MINORITY AMENDMENTS OFFERED AT MARK UP

The Global War on Terrorism

Mr. Peterson, Mr. Boswell, and Mr. Cramer offered two amendments, the first to the statutory language and the second to the classified schedule of authorizations, which sought to double the total amount the Committee recommended for authorization in the Contingent Emergency Reserve (CER). Both of these amendments were defeated.

The Committee has spoken repeatedly against the practice of funding important intelligence capabilities via supplemental appropriations, and has been wary of that practice.

As stated above, the Committee believes that President Bush has taken a giant stride towards ending this practice through his CER request. Although some supplemental funds will probably be required before the end of fiscal year 2005, due to the uncertain requirements of war, requesting a significant portion of operations tempo funding up front through the CER is a vast improvement over past practice. The Committee has specifically authorized these funds in those areas the Committee believes are the most critical to win a *global*—emphasis on global—war on terror.

It is important to understand that the CER level in this legislation has been fully coordinated with the House Armed Services Committee and the House Appropriations Committee. In other words, this is real money.

Unfortunately, the funding level sought by the Peterson/Boswell amendments was not real money. It had not been coordinated with the HASC. It does not have dollars in Appropriations to back it up. So, had either amendment been approved, the funding in it would have been hollow. In other words, the amendments were nothing more than empty gestures.

“Hollow” funding is something the Committee makes every attempt to avoid. The Committee did not approve the Peterson/Boswell/Cramer amendments because in the view of the majority of its Members they were likely do more harm than good to the Intelligence Community.

Finally, the Committee notes that the same eight Minority Members who supported the two Peterson/Boswell/Cramer amendments unanimously opposed a later amendment offered by Mr. Gibbons to transfer a large sum of (real) money, in the hundreds of millions of dollars, from a long-term research and development project to provide additional operations tempo reserves for the GWOT.

It is relevant, also, to note that 5 Minority Members of the Committee voted in October 2003 against the \$87 billion GWOT Supplemental Appropriations Act (P.L. 108–106).

Document Request—Detainees in the GWOT

Mr. Reyes offered an amendment to withhold or fence one-quarter of all funds authorized in the bill for the Central Intelligence Agency Program, the General Defense Intelligence Program, the Joint Military Intelligence Program, and the Tactical Intelligence and Related Activities program until the Committee receives various documents relating to the detention and interrogation of detainees in the GWOT.

The majority of the Committee Members believe that this amendment would have placed an absurdly high percentage of U.S. intelligence funding—dollars that all agree are absolutely critical to the GWOT—on hold pending a routine document request. It was the view of the Committee that this was a petty action masquerading as a grand gesture.

Document requests are normally handled through routine Committee business—that is, through staff work and official requests from the Chairman. In fact, several categories of the documents sought through this amendment have in fact been recently requested through a letter from Chairman Goss and Ranking Minority Member Harman:

HOUSE OF REPRESENTATIVES,
PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, June 1, 2004.

Hon. DONALD H. RUMSFELD,
Secretary of Defense, The Pentagon,
Washington, DC.

DEAR SECRETARY RUMSFELD: On June 11, 2004, we will hear testimony from Administration officials regarding the critical need for interrogation in the Global War on Terrorism. This hearing, originally scheduled for June 10 (see attached), will provide the Administration an opportunity to explain the policies underlying interrogation activities, the legal framework within which those activities are permitted to take place, and the value to our national security as a result of such interrogation. In anticipation of this hearing, the Committee requests that the Department provide the following documents, for the benefit of the Members, no later than 48 hours before the time of the hearing, which is scheduled to begin at 9:00 on June 11.

- Any orders concerning interrogation and counter-resistance policies for Iraq;
- Any orders relating to the control and operating procedures of Abu Ghraib;
- Any orders concerning interrogation policies and operating procedures for Guantanamo Bay;
- Any interrogation-derived reports from Abu Ghraib and Guantanamo Bay from June 1, 2003 to present.

Additionally, we have been advised that the International Committee of the Red Cross (ICRC) does not permit sharing of its reports and their related documents to legislative bodies of any country. For this reason, we understand, Brigadier General Karpinski's response to the ICRC of December 24, 2003, has not yet been made available to the Committee. We would request that you consider Section 502 of the National Security Act of 1947 when considering

your obligation to the ICRC. Please advise us of the status of this continuing request.

Sincerely,

PORTER J. GOSS,
Chairman.
JANE HARMAN,
Ranking Democrat.

The Committee has no reason to believe that this request will not be honored.

Indeed, we have received good cooperation to date from the DOD and the CIA on information related to detainees and interrogation. The Committee has been aggressive in seeking this information, holding 5 full committee meetings so far (and a sixth hearing—the most substantial planned to date—was only postponed because the government was closed to observe the state funeral for President Ronald Reagan on that day). It has been rescheduled for July 13, 2004. In addition, we have held multiple high-level briefings for staff and individual Committee Members.

Likewise, the Committee has already received thousands of pages of documents, including:

- The Miller Report
- The Ryder Report
- The Taguba Report—the full report with annexes; and
- The official interrogation field manual.

The Committee staff has been briefed extensively on the approved interrogation authorities, as well as the value of detainee interrogation in the GWOT. Terrorist plots have been disrupted as a result. Similarly, high value targets have been apprehended and detained through information gained by appropriate methods of interrogation.

In fact, the bipartisan Committee staff was briefed within the last two weeks that many—if not all—of the prisoners in the Abu Ghraib abuse scandal were not even the subjects of intelligence interrogation. They were rapists, murderers, prison rioters, deviant individuals, and other hardened criminals. While that fact does not mitigate the abuses caused by a few, it does make it seem like less of an intelligence matter and more of a military police matter.

For these reasons, the Committee rejected the Reyes Amendment.

Document Request—Ahmed Chalabi

Ms. Eshoo offered an amendment to withhold or fence all funds (100%) for the office of the Undersecretary of Defense for Intelligence (USDI) until the Committee receives a “full accounting” of the relationship between DOD and Mr. Ahmed Chalabi from January 2001 through May 2004, as well as specific intelligence documents and the names of intelligence sources.

The Committee notes that DOD (including DIA) has been forthcoming in providing information on these matters. Documents continue to come into the Committee as requested. Members continue to receive briefings on the matter. In fact, the day just prior to mark-up Members had the opportunity to hear from executive branch officials on these and related matters. The detailed information provided at that briefing, in addition to all of DOD’s other ef-

forts to keep the Committee informed, provided a sufficient basis for the Majority to conclude that all of the information available on this subject has been made available to the Committee. All of this information is in addition to the more than twenty volumes of information and intelligence reporting the Committee has received in the course of its Iraq intelligence review.

For these reasons, and because the majority of Committee Members viewed the amendment as heavy-handed and unnecessary, it was rejected by the Committee.

Intelligence Community Restructuring

The Ranking Minority Member offered, as an amendment, her Intelligence Community restructuring legislation (H.R. 4104), which was introduced in the House on April 1st.

The amendment would have created a Director of National Intelligence (DNI) as a superstructure above the existing Intelligence Community. The Office of the DNI would have created an additional layer of bureaucracy. In addition, the amendment would have required nearly all senior management in the Office of the DNI to be Presidential appointees, subject to Senate confirmation. The Committee believes that this new bureaucratic super-structure would only widen the gap between analysts, operations officers and senior management; and create new inefficiencies in the flow of information. Additionally, the Committee is of the firm view that less political influence, not more, is needed in the Intelligence Community. Moreover, her amendment would serve to create confusing lines of authority and could be read as subjugating the Intelligence Community to the DOD. This is not a direction the Committee Majority wished to go.

The Ranking Minority Member's amendment would not address the key issue of providing a logical source of budget authority for the Intelligence Community. In fact, the amendment avoids providing the DNI more budget authority than the Director of Central Intelligence currently enjoys. Similarly, it satisfies none of the Joint Intelligence Committee's recommendations except with respect to DNI.

Although an argument has been advanced that her legislation would breakdown the information "stovepipes" in the Intelligence Community, the Committee does not assess that this is the case. The Committee believes just the opposite is true.

Finally, the Committee notes that H.R. 4104, introduced on April 1, 2004, was introduced by the Minority Membership of the Committee, without any engagement of the Majority Membership prior to its introduction. The Committee has held no hearings on the legislation.

The Chairman and ten other Members of the Committee introduced legislation asserting their vision to improve the management of the Intelligence Community (H.R. 4584), the Directing Community Integration Act." The Committee intends to take up the issue of Intelligence Community management and structure in the near future. H.R. 4584 is not incorporated in the bill reported by the Committee.

The Committee rejected the Ranking Minority Member's amendment because it would create an additional layer of bureaucracy over the Intelligence Community, would fail to address critical

needs such as improved budget authority for the head of the Intelligence Community, would not meet its stated goal of breaking down information stovepipes, and for a host of other issues that would most properly be addressed through Committee hearings and briefings.

Language Program

Mr. Holt offered an amendment to amend Mr. Bereuter's amendment, which was offered to provide increased intelligence community language capabilities through several different types of programs. Mr. Bereuter had introduced his amendment as two separate bills in the House prior to mark-up (H.R. 4573 and H.R. 4574). Mr. Holt sought to expand Mr. Bereuter's proposals in a way that would have complicated the jurisdictional aspects of the legislation. Additionally, Mr. Holt's amendments took a different approach to that being advanced by the Committee on Education and the Workforce. Based on these grounds, the Majority rejected the amendment offered by Mr. Holt.

Classified Program

Mr. Cramer offered an amendment to adjust the funding level for a classified program. The Majority disagreed with Mr. Cramer's arguments on the matter and rejected the amendment.

AREAS OF SPECIAL INTEREST

In the following several pages, the Committee highlights areas of concern that it believes must be addressed with a high priority by the Director of Central Intelligence, (DCI) as the leader of the Intelligence Community, if intelligence sufficient to protect our national security is to be obtained and provided to policy makers. The Committee places particular emphasis on issues that impact the Intelligence Community as a whole or that involve several various programs.

Global Human Intelligence Collection

All is not well in the world of clandestine human intelligence collection (HUMINT). The DCI himself has stated that five more years will be needed to build a viable HUMINT capability. The Committee, in the strongest possible terms, asserts that the Directorate of Operations (DO) needs fixing. For too long the CIA has been ignoring its core mission activities. There is a dysfunctional denial of any need for corrective action. The CIA must collect against all types of targets needed to gain the insights into plans and intentions of our adversaries, be they terrorist, political, economic, military, in nature. Countering the threat from terrorism is, of course, and should be, at the top of CIA's list of collection priorities, but the Central Intelligence Agency must continue to be much more than just the "Central Counterterrorism Agency" if America is to be truly secure, prosperous, and free.

The Committee has placed in the classified annex of this intelligence authorization its comprehensive analysis of what specifically is not right with the way the Directorate of Operations is being and has been managed. The Committee also assesses that the consequences of continued CIA mismanagement of the HUMINT mission are significant. Replete throughout this analysis,

which includes specific recommendations for corrective action, are footnoted references to similar criticisms made by this Committee in the classified annexes of past intelligence authorization bills stretching back well before the 9/11 terrorist attacks. So, this is not new territory for the Committee. CIA has officially registered its strong objection to the Committee's exhaustively researched conclusions, which were reached over the course of years of close oversight and informed by hundreds of meetings and continuous dialogue with experienced CIA field operatives and Headquarters officials. That none of it could be made unclassified is unfortunate.

The Committee respects the authority of the DCI to make classification decisions and will, of course, abide by his ruling in this matter. After years of trying to convince, suggest, urge, entice, cajole, and pressure CIA to make wide-reaching changes to the way it conducts its HUMINT mission, however, CIA, in the Committee's view, continues down a road leading over a proverbial cliff. The damage to the HUMINT mission through its misallocation and redirection of resources, poor prioritization of objectives, micro-management of field operations, and a continued political aversion to operational risk is, in the Committee's judgment, significant and could likely be long-lasting. Immediate and far-reaching changes can still reverse some of the worst factors eroding its capabilities, however. If the CIA continues to ignore the experience of many of its best, brightest, and most experienced officers, and continues to equate criticism from within and without—especially from its oversight committees—as commentary unworthy even of consideration, no matter how constructive, informed, and well-meaning that criticism may be, they do so at their peril. The DO will become nothing more than a stilted bureaucracy incapable of even the slightest bit of success. The nimble, flexible, core-mission oriented enterprise the DO once was, is becoming just a fleeting memory. With each passing day, it becomes harder to resurrect. The Committee highlights, with concern, the fact that it only took a year or two in the mid-1990's to decimate the capabilities of the CIA, that we are now in the 8th year of rebuild, and still we are more than 5 years away from being healthy. This is tragic. It should never happen again.

The Committee believes that the DO's difficulties are manifest in the discussion on Iraq's WMD. The analysts have taken a significant amount of criticism on the issue. It is imperative to point out, however, that the analysts do not collect the information they analyze. They simply take what is available and reach educated assessments. It is incumbent on the DO and other areas of the IC collection community to gather the information that will present a more complete picture. There was an insufficiency of the right amount of information available on this topic for the analysts. The U.S. cannot afford to be in such a position.

The State of the CIA's Directorate of Intelligence (DI)

In the aftermath of the terrorist attacks on the United States on September 11, 2001, the CIA's Directorate of Intelligence has experienced dramatic personnel shifts and a rapid increase in the demand for both its analysts and work product. The DI, much like the CIA's clandestine arm, the Directorate of Operations, suffered from disinvestments resulting from the so-called "peace dividend" of the 1990's. It was not until the World Trade Center and Pen-

tagon were struck that senior DI management began to realize just how desperate the need is for an expanded and experienced analytic cadre.

DI analysts have earned a reputation in the Intelligence Community for being highly educated, well trained, motivated, and capable of handling demanding and fast moving assignments. As a result, with the expansion of the terrorist mission, DI analysts are in demand across the Intelligence Community, and in line with the CIA's "can-do" attitude has committed significant numbers of DI analysts to other organizations and posts. The CIA's analytic cadre, much like its covert counterpart in the DO, toil quietly, without significant praise, seldom ever to tell of success publicly, but sharply criticized for the least inaccuracy. The Committee notes the hard-working and dedicated rank-and-file professionals that provide the link between collection and truth and add value to raw data for policymakers.

The Committee notes four developments that, if not adequately addressed in the near-term, will work together to seriously undermine and degrade the relevance of the DI and its critically important products at a time when they are needed most by consumers. The first factor—the unsustainable surges in DI personnel to cover crisis issues without adequate back-filling—may be the easiest of the four problems to address. Aggressive new hiring is helping to mitigate this problem, but in the interim, overall DI expertise is declining, as new analysts need substantial training and on-the-job learning of their accounts. While there may be a strong temptation to surge these analysts to meet new crisis needs, it is important that this not be done prematurely or so haphazardly that it creates more problems than it seeks to solve. DI analysts must be allowed to develop true expertise. The DI must not be permitted to become an organization of generalists. Longer assignments on specific countries, regions, or issues—once discouraged by DI management concerned about analytic "clientitis"—should be strongly encouraged. This is, in the Committee's view, a major way to reverse permanently the trend towards widening global analytic gaps. Analytic depth can be more about skills than about numbers of bodies.

The second major DI problem area concerns the culture of analytic risk aversion, begun long before 9/11, but fostered through the continued perception on the part of the rank-and-file that senior DI managers do not want risk taking—however calculated, caveated, and warranted—and that they will not stand by an analyst who has made the wrong prediction. With some exceptions, the DI has become more focused on coordinated judgments that are often so caveated that they are of little use to consumers who are searching for some form of clarity in the very gray world of finished intelligence reporting. While clarity will not always be possible, analysts should be encouraged to be more forward leaning and to push the analytic envelope whenever possible, lest consumers turn more and more—as they have in recent years—to uncorroborated single-source HUMINT or SIGINT reports to inform their decisions. Creating an environment of some stability for analysts to develop adequate expertise will be an essential part of breaking the DI's risk averse culture, lest risk-taking become a reckless rather than calculated process.

The Committee recognizes that the DI is suffering from the difficult combination of vastly increasing requirements and too few bodies to service them. Strong DI leadership, however, with a demonstrated commitment to calculated risk-taking and to the true expertise building that must come with it, would begin to bridge the gap between where DI personnel numbers are now and the time when adequate help arrives. With the CIA's analysis on Iraq being widely criticized, DI leaders simply cannot afford to sit on their heels. If analysts decided to give up on risk-taking entirely, the national security interests of the country will suffer. This cannot be permitted to happen.

The third major problem area was also clearly evident to the Committee as a problem in the years before 9/11 and appeared in the form of critical classified report language in past intelligence authorizations. This is the continuing overemphasis by senior DI managers on current intelligence reporting instead of on the longer-term, predictive, strategic intelligence forecasting that was once the strength of the DI and the staple of the DI's avid consumer base. The explosion of all form of open-source reporting, combined with technology for transmitting news across the globe in near-real time makes it nearly impossible for DI analysts to keep up. Instead of "chasing CNN," as the Committee has observed in the past, the DI should be devoting much more of its resources to doing the kind of all-source, in-depth analysis that cannot, and is not, being done elsewhere in government or through media outlets. The DI will always have to leave some capability in place to make sure that its judgments about overnight developments in the world's hot spots are rapidly provided to consumers each day via tried and tested means, such as daily publications, spot reports, and briefings, for example. But, analysts have complained for years, and the Committee has heard the message loud and clear, that the preference of senior DI managers for current intelligence and opportunities to brief such product to high-level consumers far outstripped the DI's capacity to be useful. More importantly, such DI priorities damaged the DI's base of expertise by squandering scarce analytic resources that could be put to better use helping the more sophisticated line-consumers understand better what was behind the facade of the daily or hourly news reports. The crisis atmosphere post-9/11 has indeed generated more interest in rapid analytic judgments to address fast-moving situations, but the DI needs to play to its strengths and fill a badly needed function of giving the consumer a much higher degree of education than the "sound-bite" analysis currently being emphasized. These are the types of priorities to be set by the DI's top manager. The Committee continues to disagree with the rationale for the continuing trend towards current intelligence at the expense of nearly every other form of the discipline.

Finally, the Committee remains concerned that senior DI managers still do not have the ability to drive collection priorities, despite past Committee exhortations about the urgency of fixing this problem, and the CIA's own stated goals. A number of analytic judgments on Iraq have so far been found to be inconsistent with the facts on the ground. While intelligence analysis seldom, if ever, provides a 100 percent accurate picture, deficiencies were largely the result of years of inadequate or insufficient HUMINT collection,

and extensive and ingrained denial and deception tactics that defeated technical collection efforts. Analysts had little actual ground truth with which to work. The Committee now finds the DO overly focused on a few priority targets, leaving analysts once again reliant on the media and other mostly open or insufficiently validated sources of information with which to make its key judgments. Given the recent performance on Iraq, the Committee believes that senior DI management should play a stronger role in determining collection priorities and advocating the need for global coverage.

CIA Compensation Reform Program

The Committee remains unconvinced and increasingly skeptical that the Pay for Performance (PFP) compensation reform program currently proposed by Agency leadership is the best, most appropriate pay system for the men and women of the CIA. It should be noted that the Committee is supportive of the President's vision regarding the need to change our government-wide pay system.

The Committee supports the design, development, and implementation of a reformed compensation plan for employees of the CIA. The Committee continues to have serious reservations, however, about the business model and assumptions upon which the CIA's proposed PFP system is based. The CIA is a unique Federal entity with vastly different jobs, many of which are not, and cannot, be performed in the private sector. The Committee believes that it is a mistake to assume that money is the most significant employee motivator in the intelligence "business." While financial compensation plays an important role in employment, it is not the sole motivating factor for many employees at CIA, nor should it be. CIA attracts the country's best and brightest, not for financial reward, but rather for the esprit d'corps, mission, and tradecraft that are unique to CIA.

The Committee, nonetheless, supports the notion of rewarding superior performers with increased pay. In addition to the issues noted above, the Committee remains concerned about the difficulty the Agency has had to date in projecting the actual costs of implementation and administration of the proposed program. These concerns were magnified by the results of the congressionally mandated compensation reform pilot program. The actual costs of the pilot program exceeded those projected by almost 20%, and the performance model did not produce the expected disparity between superior and mediocre performers. In fact, at the direction of senior Agency leadership, this 20 % overage was added to the program at its conclusion to enhance the delineation between higher and lower levels of performance. Inexplicably, notwithstanding these known deficiencies, the pilot program was touted by Agency management as a great success and a resounding affirmation of the proposed compensation reform system. The Committee notes with displeasure that Agency employees apparently were never told of the failures of the performance model and the resulting need for the infusion of these additional funds.

The Committee believes that greater improvement in communication between Agency leadership, employees, and Congress must occur before the proposed compensation reform plan is further implemented. When CIA seniors were questioned about certain materials provided by CIA that did not contain any known negative ref-

erences regarding PFP, they claimed providing such data was not their responsibility, but rather that of lower ranking Agency personnel, and that they did not know why the information was never relayed to employees or to the Committee. The Committee is disappointed with what could be perceived as a callous indifference on the part of some CIA seniors of the impact such fundamental changes in the CIA's pay structure will have on Agency personnel and the continued unwillingness of some CIA seniors to engage in meaningful dialogue on this issue.

As noted above, and notwithstanding the foregoing, the Committee remains optimistic that an effective and well-managed effort to reform the compensation system at CIA is possible, although this will require significant modifications to the current plan, at a minimum. The Committee is encouraged by the willingness of the Office of Personnel and Management (OPM) to assist Agency senior leadership in their efforts to manage this process and address the concerns of CIA employees. The Committee has been advised that OPM and CIA will execute a Memorandum of Understanding (MOU) that clearly delineates their respective responsibilities with respect to this effort, and the Committee expects CIA to ensure this MOU is executed in a timely fashion. The intent of the MOU is to provide a cooperative framework within which OPM and CIA can work, with all interested stakeholders, to design, develop, implement, and communicate to CIA employees a reformed compensation system, and the Committee expects CIA to work with OPM in a manner consistent with this stated intent. Moreover, the Committee expects that as part of the OPM-CIA partnership, the question of whether the current plan needs to be replaced by an entirely new and better constructed plan will be seriously and expeditiously addressed.

The Committee directs that the DCI will regularly advise, in intervals of no less than every three months, the Committee of developments in the process of reviewing, revising, or replacing the current reform plan, and fences all non-personnel services funds associated with the implementation of the proposed PFP system, including employee conversions, information technologies, pay tool and compensation design, and related training, until the DCI certifies, in writing to the intelligence committees that CIA has complied with the following requirements:

1. An MOU is executed by and between the OPM and CIA that ensures that CIA will:

- Work cooperatively with OPM to design and implement all elements of a new compensation system at CIA;
- Invite OPM to all briefings on compensation reform for Members and Committees of Congress and Staff;
- Allow OPM such access and lines of communication as necessary for it to administer a process for truly anonymous CIA employee comment on elements of a new compensation system and the process by which it will be adopted;
- Work with OPM to develop a compensation reform process timeline that will ensure adequate employee and stakeholder input and feedback on all elements of compensation reform and allows for incremental stages of reform;

- Work with OPM to extend the timeline where appropriate to meet legitimate concerns of employees and other stakeholders; and
- Work with OPM to monitor and address employee concerns over system credibility.

2. Another, more objective and completely “blind” survey of employee opinion on all of the key aspects of the PFP system is conducted through the auspices of or in conjunction with OPM as a replacement for the CIA’s poorly designed and badly administered survey performed by a contractor firm that was a stakeholder in the initial reform plan. CIA’s efforts, while in technical compliance with the letter of the Congress’s corresponding CDA in the “Intelligence Authorization Act for Fiscal Year 2004,” certainly did not adhere to the spirit of that Congressional direction.

3. The following reports, outlined below, are completed and delivered in writing, signed personally by the DCI, to the intelligence committees of the House and Senate not later than 180 days after enactment of this provision:

(i) *Management of the PFP System.* This report shall detail the management processes the DCI has instituted and plans to institute to manage the implementation and administration of a PFP system. Specifically, this report shall delineate the process by which the DCI plans to select, train, certify, and evaluate the performance of pay pool managers, as well as the processes by, and regularity, with which these managers will communicate with Agency employees regarding all aspects of the proposed PFP system.

(ii) *Cost of Implementation and Administration of Compensation Reform.* This report shall detail all current and projected costs relating to the implementation and administration of the compensation reform program. Specifically, this report shall delineate all personal and non-personal services funds expended in the implementation and administration of compensation reform to date, to include, but not limited to, the following activities: performance management program and compensation implementation; IT systems development and deployment; training program development and implementation; surveys and focus groups; and communications. Additionally, this report shall detail the projected costs of the implementation and administration of compensation reform Agency-wide from FY06 through FY10.

(iii) *Pilot Program Web Application.* This report shall explain the process by which the Pilot Program web application was designed and developed. Additionally, this report shall include an assessment of the performance of the web application throughout the duration of the pilot program. This assessment shall be conducted in accordance with associated industry “best practices” and the Carnegie Mellon Capability and Maturity Model guiding principles. The report shall also detail the technological specifications of the current application baseline, as well as any information collected during the development and testing phases of the current baseline. The report shall evaluate the full technological impact a web application of this magnitude will have on the Agency’s technological infrastructure. This evaluation shall include, but is not limited to, the impact to the Agency’s network backbone, common application environment, and systems engineering and application mainte-

nance workforce. Finally, this report shall include a cost estimate for the follow-on PFP tool application testing, development and deployment.

National Reconnaissance Office

The Committee is concerned about the amount of time and attention that the National Reconnaissance Office's (NRO) Director is available to provide to the NRO and the viability of its budget to sustain the number of programs underway.

A recent IG report described the various responsibilities that the NRO Director has in addition to those he has as Undersecretary of the Air Force and as Acquisition Executive. While the benefits that accrue to the national security space programs as a whole that result from combining these positions may be positive, the Committee is concerned that it comes at an expense to the NRO, which plays a significant role in our IC and national security apparatus. The Committee will seek to understand how the needs of the Air Force space programs can be met while ensuring a more balanced or appropriate amount of time and attention can be provided to the NRO.

The Committee recommendation is to continue the strong support for the 2005 funding request, but it has concerns about the viability and affordability into the future. At a time when the organization has struggled to fund adequately its current programs, it is embarking on a number of ambitious new capabilities. The future years' budget does not appear to be capable of sustaining it all. Moreover, some programs are likely to need additional time that will further exacerbate the fiscal viability. The Committee believes that the space systems provided by the NRO are an essential part of a comprehensive intelligence architecture and that either the budget should be capable of sustaining its programs or it should not start new programs.

Intelligence Community Language Capabilities

The core function of the Intelligence Community (IC) is the gathering of foreign intelligence vital to the national security of the United States. To perform effectively this mission, and to ensure that the information acquired is indeed accurate, our nation must have sufficient numbers of intelligence professionals who are proficient in foreign languages. Fluency in a foreign language must not be considered a highly specialized technical skill possessed only by the few. Rather, proficiency in language should be a core capability for virtually all intelligence officers. The Committee has long been concerned that the IC lacks a strategy to ensure that an adequate supply of skilled linguists will be available in the event of their need. This is particularly true of critical languages such as Arabic, Russian, Chinese, Korean, Japanese, Farsi/Persian, and Pashtu.

The Committee held a series of hearings on the issue of language capabilities in the IC, visited language institutions utilized by the IC, and solicited the views of leading academicians in the field of language and linguistics.

The Committee found that significant strides have been taken to improve the IC's language capabilities, particularly since the terrorist attacks of September 11, 2001. Initial steps have been taken

in areas such as strategic planning of language requirements, increasing basic and applied research into the teaching of language and culture, augmenting existing Federal training programs, and broadening reservoir of linguists from which the IC might draw. The Committee would note that many of these initiatives are in response to congressional action. Nonetheless, the efforts by the Administration are to be commended, and, when taken together go a long way toward addressing the nation's need for expertise in critical languages. As correctly noted by Dr. Richard Brecht, Executive Director of the Center for Advanced Study of Language, these initiatives "represent some of the finest policy, planning, and program implementation on behalf of language in the history of the United States."

While the Executive branch has begun to address concerns about critical language capabilities, the Committee found that much remains to be done. In particular, the Committee noted the absence of a single individual in the IC responsible for languages. There is no single individual tasked with developing a comprehensive, collaborative, and cohesive solution to the IC's language problem. In the absence of a single voice for language within the IC, each component has the ability to develop their own standards and set their own funding priorities. The Committee concluded that an essential component of any solution would be the creation of an Assistant Director of Central Intelligence for Language and Education.

The Committee strongly approves the policy that has been adopted by the Foreign Service, wherein foreign language capability is an integral component during consideration for promotion. Indeed, the Department of State's Employee Evaluation Report (EER) forms establish specific language criteria that must be met for promotion. For entry into the ranks of the Senior Foreign Service, individuals are expected to demonstrate full mastery of written communication in a foreign language, be able to effectively argue complex policy issues, and be able to adeptly discern the innermost meanings and nuances of messages that others convey. These are exactly the skills necessary for the collection of foreign intelligence. The Committee concludes that the most effective method of establishing the primacy of language skills is to require similar language skills for individuals being elevated into the ranks of the Senior Intelligence Service. One year after enactment of this Act, all individuals promoted to the Senior Intelligence Service shall be required to demonstrate proficiency in a foreign language at the 3/3 level or higher. The Committee understands that there are certain senior level positions, such as those requiring advanced scientific or computer expertise, which may not require language skills. If there is a SIS position that should be exempted because of the nature of the specific responsibilities of the position, the Director should advise the Committee and request an exemption for that specific position. The Committee intends to be judicious in the granting of such exemptions.

The Committee grants the authority to establish a program dedicated to the advancement of foreign languages critical to the IC. Under this program, the Director is authorized to enter into partnerships with educational institutions and to assign dedicated personnel and enlist volunteers to advance such partnerships. The Committee recommends that Concordia Language Villages would

serve as an appropriate partnership, as would the SCOLA, and the Monterey Institute.

In the “Intelligence Authorization Act for Fiscal Year 2003,” the Committee tasked a report on the concept of a Civilian Linguist Reserve Corps. The report recommended moving forward with a three-year pilot program to establish a viable Corps. The Committee authorizes funds to implement the recommendations of this report.

The Committee concluded that the National Security Education Program (NSEP), which was created in the Boren Amendment to the “Intelligence Authorization Act of Fiscal Year 1992,” has been and remains one of the most effective tools to recruit highly qualified linguists for service in the field of national security. This program provides scholarships, grants, and fellowships for advance language and cultural training in return for service in a specified national security capacity. This program has operated on a trust fund, but the inclusion of additional expanded responsibilities has almost exhausted the fund. Provision of an annual authorization is the most effective method of ensuring continued funding. The Committee believes the Community Management Account of the DCI is the appropriate vehicle to provide such authorizations.

Assessing the Terrorist Target

The terrorism target transcends both our foreign intelligence and judicial systems. The IC was established to collect, assess, and disseminate foreign intelligence, prior to any adverse action or event. The judicial system investigates and administers justice after the law is broken.

The judicial and intelligence systems evolved almost independently over the last half-century. Terrorism challenges both systems and demands that the two work together.

The IC in fiscal year 2005 has requested a significant increase in funds for analysis with a substantial portion of these funds focused on assessing the terrorist target. In addition, the Executive Branch has begun to realign previously stovepiped organizations and analytic bodies to improve communication and information sharing for homeland security purposes. The Committee notes the significant role the Terrorist Threat Integration Center (TTIC) has played in moving the IC to reduce barriers to communication and Department-specific cultures. However, the Committee notes that the proliferation of counterterrorism divisions, task forces, and other organizations may create additional stovepipes. This is counter to the need to move information in a timely and efficient manner to those who need it most.

Since September 11, 2001, the Federal Government has realigned resources to create the Department of Homeland Security (DHS). Specifically P.L. 107-296 directed DHS to develop analytic capabilities to assess terrorist threats to the homeland and to disseminate that information to State, local, and private sector officials. The Terrorist Screening Center (TSC) has also been created within the Federal Bureau of Investigation (FBI), to consolidate more than a dozen “watchlists” and to provide one-stop shopping for authorities when individuals of concern are detained by police, boarding an aircraft, or entering the United States, among other actions that might provide an opportunity to learn more about that

person. The Terrorist Threat Integration Center (TTIC), largely staffed by Central Intelligence Agency (CIA) personnel, acts to fuse the IC's analytic capabilities on terrorism. The FBI has established 84 Joint Terrorism Task Forces across the country to better communicate with state and local law enforcement communities. The Committee believes that these efforts have produced positive results.

The Committee notes the spirit of cooperation among all agencies and all levels of government. All share the common goal of thwarting terrorists. Taken as a whole, however, the resources available are not yet sufficient to claim victory. Significant cultural, technologic, legal, and mission barriers also remain in place preventing the ultimate level of synergy needed to swiftly assess terror threats, successfully defeat those threats, and ultimately win the war on terrorism.

Mission requirements and responsibilities between the TTIC and the DCI's Counter Terrorist Center (CTC), and specifically the Office of Terrorism Analysis (OTA), remain vague and must be further delineated. The FBI, while improving its analytic cadre, has yet to fully utilize this resource and completely shift the mentality of its agent corps from prosecution to prevention. The Department of Homeland Security's Office of Information Analysis (IA), while making outstanding progress in a complex and challenging environment, remains in its infancy, heavily dependent on contract support for its analytic capabilities and unable to fully assume the responsibilities expected of it. The Defense Intelligence Agency has established the Joint Intelligence Task Force-Counterterrorism to address the global force protection mission associated with the terrorist threat. It is not clear, however, how this entity will interact with the myriad "CT" elements already existing throughout the IC and the military.

The Committee expects the IC to develop a professional terrorism analysis career track by providing a baseline level of training for intelligence analysts who will be responsible for assessing terrorist targets. This training should include courses on culture, language, politics, and an understanding of the "religious" extremist fundamentalism associated with Middle Eastern and Arab terrorist groups which can provide the appropriate texture for sophisticated analysis. Additional areas of training should focus on illicit financial, arms, and narcotics networks to understand terrorist logistics, as well as the psychology, motivation, and application of propaganda in motivating terrorist activity. Finally, rotations by terrorism analysts outside their home components or organizations should be encouraged and rewarded as necessary steps for developing greater expertise and understanding of both terrorism and other U.S. government departments assessing terrorism.

The Committee encourages improved communication among IC analysts covering similar accounts with the frequent exchange of contact information, such as email and phone numbers, as well as the organization of events such as analytic roundtable discussions at the office level among analysts from the FBI, CIA, TTIC, DIA, and the Department of Homeland Security's IA. Such roundtable discussions could focus on such things as baseline assessments of specific terrorist groups' ability, targets, methods of operations and targeting. The Committee encourages the DCI, the Director of the

FBI, and the Secretary of Homeland Security to promote such informal discussions and outreach among analysts throughout the IC.

Information Sharing

Among the most critical elements to the successful fusion of terrorism related intelligence is the rapid and seamless movement of terrorism data across multi-layered security enterprises. One of the top-level IC-wide dilemmas is to design and deploy a solution for access to multiple “networks” at a “one user workstation.” The follow-on, and more complex challenge will be the systems engineering intricacies associated with designing an enterprise application framework to share data across domains within the IC. The Committee supports the current IT efforts underway in support of seeking solutions to this IC-wide issue, and encourages the IC CIOs to formulate a unified plan for creating a sound framework for sharing terrorism related data across all IC enterprises within this larger enterprise. In other words, the Committee expects the DCI to develop an IC-wide, Enterprise Architecture. For this reason, the Committee adopted a legislative provision to create the office of ADCI/Info management, who shall serve as the ICCIO.

The Committee notes the distinct difference evolving between terrorist and terrorist threat related information and traditional foreign intelligence. Terrorism-related intelligence needs to be shared and distributed to far more individuals and entities than traditional foreign intelligence that relates to the internal plans and intentions of a sovereign nation. Publicly available information, or law enforcement information, is often disseminated through separate stovepipes. The Committee encourages the DCI, in consultation with the Secretary of Defense, the Attorney General, and the Secretary of Homeland Security, to examine the classification methods and processes associated with terrorist and terrorist-threat information. The Committee is interested in the viability of a system providing this information to those who need it to protect the Homeland. But, the Committee understands the need to do so in a manner that protects sources and methods. Additionally, it is important that such a system include a mechanism that immediately denotes that the information was in fact distributed within the IC, as well as law enforcement communities, including at the State and local levels, and to appropriate sector authorities.

The Committee directs the Secretary of Homeland Security to provide quarterly briefings to the Committee on these various challenges and the status of all policies associated with the integration and coordination of intelligence and law enforcement personnel, selected analytic products, procedures, and policies. Specifically, these briefings should address the country’s efforts to effectively and efficiently organize its counterterrorism resources and the division of responsibility among these resources, as well as actions and policies to share sensitive information throughout the analytic community.

The Committee directs the DCI to provide to the intelligence committees a report on the IC’s evaluation and decisions to implement the recommendations produced by the Congressional Commission investigating the terrorist attacks in the United States on September 11, 2001. This report is due within 180 days after the Commission’s recommendations are released.

Counternarcotics/HUMINT Operations

Illicit drug use results in approximately 17,000 drug-related deaths of Americans annually. Drugs are estimated to cost the U.S. economy \$160 billion annually in health care, social, and criminal costs, among other assorted costs. Illicit narcotics continue to constitute a clear and present danger to U.S. national security, and the Committee remains convinced that the IC should not lose its focus on the counternarcotics mission despite its many counterterrorism (CT) and counterproliferation (CP) requirements. In fact, the CT and CP missions can and should better leverage resources currently used for counternarcotics activities to help identify common smuggling routes and illegal enterprises that could be used as easily for smuggling WMD or terrorist infiltration, as for the narcotics trade.

Further, the Committee encourages the DCI to allocate an appropriate portion of resources being added in the fiscal year 2005 intelligence authorization to the CIA's Directorate of Operations for non-Tier 0/1 unilateral operational activities to further the CIA's counternarcotics mission in Latin America, from where the greatest illicit narcotics threat to U.S. interests originates.

Enterprise Architecture

Enterprise Architecture (EA) is the bonding element in relation to Information Technology (IT) investment and strategy initiatives. In fact, the Chief Information Officer (CIO) Council in the executive branch subscribes to the fundamental practice of fusing IT investment and strategy to an EA. The IC CIO sits at the Federal CIO table and in that role should be striving to adhere to, and influence, the EA government-wide initiatives in this regard. The Committee understands that the creation and implementation of an EA is not easy and certainly will necessitate full support at all levels of the Intelligence Community (IC) management structure.

Upon review, the Committee has determined that the process for linking IT investment to a formal EA is lacking, if non-existent at all layers of the IC. The Committee notes that in a December 25, 2003 letter from the Executive Director for Community Management to the HPSCI, it was noted that, "Implementing the IC EA in accordance with OMB's Federal Enterprise Architecture criteria is a significant challenge for the IC primarily because of its federated nature. Through ICSIS, we have been able to develop strong Community agreement on the technical dimensions of the information-sharing portion of the IC EA, and with that, growing consensus around the business issues associated with a total IC Enterprise Architecture." While consensus is a good first step, the process for creating an executable and successful Enterprise Architecture relies on a consistently managed and calculated effort, with support and buy-in from the DCI and all IC agency directors. While ICSIS is a valid design concept for IC-wide Information Management, the Committee does not accept it as a formal EA. Attempts to make correlations between it and a formal EA will not produce the intended result as set forth by OMB.

It is worth noting that a few of the IC agencies have made attempts to produce detailed pictures of the "as-is" status of their networks, applications, and IT processes. Some have even gone as far as mapping the future state and strategy for these components.

These efforts have fallen short of adhering to the documented processes set forth by the federal EA model; however, by following a formal EA process, the Committee believes that the IC could reap the benefits such an exercise typically elicits. The Committee is fully aware that the IT elements within the IC are difficult to document. We believe, however, that implementation of an IC-wide EA would assist measurably in joining the technical elements of the IC into a more cohesive fabric.

Several components typically formalized as a “future state” by an EA are currently being sought by the IC. All of these separate programs, however, constitute items that would typically be driven holistically from both agency-level EA’s, as well as one IC-wide EA. So long as the strategy of these programs continues to be managed at the agency CIO level and not coordinated at the IC CIO level, there will be a continued lack of IC IT “fusion” in strategy. The Committee notes that many of these longstanding efforts address the “unique” challenges at the agency level, and not the global IC level. Without prescribing any one architecture, be it “network-centric,” “data-centric,” or “knowledge-centric,” or any other methodology, the Committee believes that there are certain globally accepted linkages throughout the IC, and that these should be the driving force behind devising an IC-wide EA. As the Committee has stated in previous Authorization bills, these “linkages” are often expressed in the form of processes, data, and security.

The Committee believes that the IC would benefit greatly by undertaking a formal IC-wide EA effort, as this process would take these “linkages” and fuse them together across the community in the form of standard business, performance, data and information, service component, and technical models. For this and other reasons, in the legislative provisions, the Committee adopted section 303, which creates an IC CIO separate from the CIA CIO. Therefore, the Committee directs each agency CIO to provide a report to the intelligence committees no later than 01 March, 2005, which outlines the agency level plan for implementing EA before the end of fiscal year 2006. In addition, the Committee directs the IC CIO, in conjunction with each agency CIO, to draft the implementation plan for an IC-wide EA, which will conform the agencies’ EAs to the broader IC strategy, within the same deadline. Standard COTS (Commercial-Off-the-Shelf) software should be used in devising these preliminary documents.

JMIP/TIARA

Measurement and Signatures Intelligence

The Committee has been aggressive in funding for exploration in the Measurements and Signatures Intelligence (MASINT) sciences and applied research.

There are initiatives found throughout the IC and within this bill that support such measures in basic and applied science, research and development, and the technologies that use MASINT concepts. It is the Committee’s intent that the raw scientific intelligence gained from these activities be integrated into systems and programs, and into the more classic intelligence disciplines for use operationally.

The committee is concerned, however, with the leadership and direction of the MASINT community, and has again, put fiscal attention toward a more collaborative effort for MASINT through the MASINT Consortium. The MASINT Consortium, led by the Defense Intelligence Agency (DIA), began in FY03 by congressional directive to assemble the various entities across all communities to explore basic and applied science research as it relates to intelligence and the DOD. The Committee believes that this is an IC required effort, and encourages the advancement of basic and applied systems research within the MASINT discipline.

The Committee recognizes that there are other efforts that exist within the IC that are also attempting to consolidate and lead MASINT activities and direction. The Committee strongly encourages the DIA to include and embrace these efforts, assert a strong community-wide leadership role, and apply the culmination of all efforts community-wide.

Global Hawk SOUTHCOM Demonstration

The budget request contained \$336.2 million in PE 35220F for the Air Force Global Hawk high altitude endurance, unmanned aerial vehicle (HAE/UAV) program. The committee notes that section 221 of the National Defense Authorization Act of 2001 (Public Law 106-398) directed the Secretary of Defense to require and coordinate a concept demonstration of the Global Hawk HAE/UAV. The purpose of the demonstration was to quickly and efficiently demonstrate the capability of the Global Hawk to operate in an airborne, air-surveillance mode, using available, non-developmental technology in a counter-drug surveillance scenario designed to replicate actual conditions typically encountered in the performance of the counter-drug surveillance mission of the U.S. Southern Command.

The Committee believes the Department has not met the requirements of this Congressionally Directed Action.

The Committee has received the Air Force January 28, 2004 memorandum that states the directive will be met by utilizing the HAE/UAV's existing ground target moving indicator (GMTI) with surface search modes. The Committee notes that the specific intent of section 221 is to provide an airborne air surveillance alternative for U.S. Southern Command through a concept demonstration performed under actual conditions in the performance of counter-drug airborne surveillance missions. Additionally, the Committee notes that the authorized funds were to also pursue the initiation of concurrent development of improved surveillance radar modes such as an airborne moving target indicator (AMTI) capability, for this purpose.

The Global Hawk program office has briefed the Committee on the present plan and condition to meet congressional intent of the program. The Committee recognizes that although the Global Hawk contract agreement and the Global Hawk Demo amendment to agreement are separated, advances to the program cannot be. Furthermore, the committee sees disparity in the contractor obligated fees and government expenses, and does not view the Air Force program office as economical or responsible in its planning or execution of the amended contract. Specifically, the Committee notes that with no demo performed, the Air Force has expended

61% of the funds provided, and has obligated the remaining budget. The committee finds this inefficient and remiss, and can only conclude that \$18.0 million worth of progress in the Global Hawk program has been met through the use of these funds, and has reduced the request accordingly.

The Committee directs, once again, that the Secretary of Defense conduct a long endurance air-to-air radar surveillance mission concept demonstration of the Global Hawk HAE/UAV that meets the intent of section 221 of Public Law 106-945.

The Committee recommends \$318.2 million in PE 35220F, a reduction of \$18.0 million based on the failure of the Department to fulfill the CDA.

Distributed Common Ground System

The budget request contained a total of \$734.5 million for the DOD's Distributed Common Ground System (DCGS) program. DCGS is a multi-service and agency program to enable existing intelligence processing, exploitation and dissemination systems to operate seamlessly across national and DOD architectures and standards.

The Committee supports the recent decision of the military service acquisition executives to integrate the common DCGS integrated backbone (DIB), version 10.2 into each service program as a common integrated DCGS architecture. The Committee commends the services in coming together to work the challenges of intelligence sharing, and views this as a leap towards seamless information sharing.

The Committee is concerned, however, that the present DCGS architecture within each of the military services is unique and may not be able to properly network and provide critical, timely information to the tactical users in the battle space.

The Committee believes the services must have an overarching architecture that is well defined so DCGS may operate across multiple domains to include ships at sea, Army and Marine battalions on the move, and fixed sites for the Air Force.

The committee also believes that the multiple systems that run the DCGS were devised by organizational tradition, and not to modern standards. The Committee is further concerned that while the services perform analogous operations on each DCGS system, they have not devised a coordinated strategy to merge requirements, functionalities, and applications to support a joint environment for users. The Committee recommends that the Department coordinate service-centric requirements, use commercial best practices to implement a systems' architecture, maintain cost controls, leverage purchasing power, and streamline development for the program.

The Committee believes the services must have a single, converged architecture that is well defined to allow DCGS to operate across multiple domains; including ships at sea; Army and Marine battalions on the move; and fixed sites for the Air Force.

In addition, the Committee notes that the Defense intelligence community has an interest in the DOD's Global Information Grid. Since DCGS is required to operate in both the IC and DOD domains, the Committee believes there must be a common approach for managing intelligence data over both enterprise networks.

Therefore, the committee encourages the IC and the Department to work together to create and implement a systems architecture that will allow users from both communities to access information in a timely, accurate manner.

Additionally, the Committee is concerned that the DCGS is unable to receive data from either the E8C Joint STARS radar system or the RC-135 RIVET JOINT signals intelligence system, and is unable to directly task the RQ-4 Global Hawk high-altitude endurance unmanned aerial vehicle (HAE/UAV) for imagery. The committee is concerned that the DCGS will not be able to achieve its goals without this ability.

Accordingly, the Committee directs the Under Secretary of Defense for Intelligence to report to the congressional defense committees and intelligence committees detailing the Department's DCGS integration plan to include tasking and imagery downlinks for the E8C Joint STARS, RC-135 RIVET JOINT, and RQ-4 Global Hawk systems by 01 March 2005.

Furthermore, the Committee directs the Assistant Secretary of Defense for Networking Information and Integration to report to the congressional defense committees and intelligence committees no later than 01 March 2005, as to how the two communities plan to operate a network-centric, not service-centric, DCGS across both the IC domain and the larger DOD IT domain in the future.

Therefore, the Committee recommends the following for the DCGS military service programs: \$8.2 million for the Army, a decrease of \$1.4 million; \$45.2 million for the Navy, a decrease of \$8.0 million, and \$291.8 million for the Air Force, a decrease of \$28.5 million.

Information Dominance Center (IDC)

The budget request contained no funds for operations and maintenance or research and development for the Army's information dominance center (IDC) at Fort Belvoir, Virginia.

The IDC, a Headquarters' Department of the Army operations support activity assigned to the U.S. Army Intelligence and Security Command (INSCOM), provides multi-disciplinary Information Operations (IO) support to the U.S. Army's component and major commands. The IDC dedicates analysis and technical support to deployed teams and the commands they serve. These tailored analytical products are generated frequently on a quick-response basis to meet a deployed team's immediate needs. The IDC also monitors potential trouble spots worldwide, preparing to support contingency operations with IO-related products should the need arise. The IDC is a successful model of operational horizontal integration, using high-capacity communications links to access selected information from a number of databases maintained by a number of other commands, agencies, and organizations.

The Committee acknowledges that the IDC is one of the Army Chief of Staff's unfunded priorities intelligence objectives. The Committee supports the transformation efforts of the IDC and the future plan to incorporate functions of the IDC into the Army's Distributed Common Ground Systems (DCGS).

Therefore, the Committee has recommended additional funds for this important program within the Army's Tactical Intelligence and Related Activities (TIARA) accounts, and within the General De-

fense Intelligence Program (GDIP). Furthermore, the Committee expects to see the IDC fully funded within the President's Budget Request for Army in fiscal year 2006.

Defense Language Institute/Foreign Language Center (DLI/FLC)

The budget request contained no funds for the Defense Language Institute Foreign Language Center (DLI/FLC) for research and development.

The committee notes the "National Defense Authorization Act for Fiscal Year 2004" (Public Law 108-46) recommended that the Secretary of the Army establish a research and development line, specifically focused on the latest technologies and instructional methods in language and language learning that are required by the DLI/FLC. The Committee is disappointed and surprised that a budget request was not included in the fiscal year 2005 budget request.

The Committee is very aware of the amplified demands within DOD for increased student throughput and expanded off-campus and distant learning sites. These current endeavors necessitate innovative approaches in the instruction of foreign languages and the educational processes to administer them. The Committee applauds the progress of DLI/FLC's innovative practices in meeting this challenge and supports the efforts in seeking new methods in the teaching of foreign languages and language learning technologies to meet the goals of DOD and the National Security Agency (NSA).

Therefore the committee directs the Secretary of the Army to establish a new research and development program in fiscal year 2005 for the DLI/FLC, entitled, "Defense Language Institute, Foreign Language Center" and recommends \$5.0 million for this purpose.

SECTION-BY-SECTION ANALYSIS AND EXPLANATION

TITLE I—INTELLIGENCE ACTIVITIES

Section 101 lists the United States Government departments, agencies, and other elements for which the Act authorizes appropriations for intelligence and intelligence-related activities for fiscal year 2005.

Section 102 makes clear that the details of the amounts authorized to be appropriated for intelligence and intelligence-related activities and applicable personnel ceilings covered under this title for fiscal year 2005 are contained in a 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.

Section 103 authorizes the Director of Central Intelligence (DCI), with the approval of the Director of the Office of Management and Budget (OMB), in fiscal year 2005 to authorize employment of civilian personnel in excess of the personnel ceilings applicable to the components of the Intelligence Community under section 102. The DCI may exercise this authority only if necessary to the performance of important intelligence functions. Any exercise of this authority must be reported to the intelligence committees of the Congress.

Section 104 authorizes appropriations for the Community Management Account (CMA) of the DCI and sets the personnel end-strength for the Intelligence Community Management Staff for fiscal year 2005.

Subsection (a) authorizes appropriations of \$318,395,000 for fiscal year 2005 for the activities of the CMA of the DCI. Subsection (a) also authorizes funds identified for advanced research and development to remain available for two years.

Subsection (b) authorizes 310 full-time personnel for elements within the CMA for fiscal year 2005 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) authorizes additional appropriations and personnel for the CMA as specified in the classified Schedule of Authorizations and permits additional funding amounts for research and development to remain available through September 30, 2006.

Subsection (d) requires that, except as provided in section 113 of the National Security Act of 1947, personnel from another element of the United States Government be detailed to an element of the CMA on a reimbursable basis, or for temporary situations of less than one year on a non-reimbursable basis.

Subsection (e) authorizes \$29,811,000 of the amount authorized in subsection (a) to be made available for the National Drug Intelligence Center (NDIC). Subsection (e) requires the DCI to transfer these funds 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.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

AUTHORIZATION OF APPROPRIATIONS

Section 201 authorizes appropriations in the amount of \$239,400,000 for fiscal year 2005 for the Central Intelligence Agency Retirement and Disability System (CIARDS).

TITLE III—GENERAL PROVISIONS

Section 301 provides that funds authorized to be appropriated 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.

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

Section 303 amends the National Security Act of 1947 to establish an Assistant Director of Central Intelligence for Information Management who would serve as the Chief Information Officer of the intelligence community. The Assistant Director would be responsible for managing activities relating to the information technology infrastructure and enterprise architecture requirements of the intelligence community, including information technology procurement and research and development.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Section 401 amends the Central Intelligence Agency Voluntary Separation Pay Act (VSPA) by repealing the otherwise applicable September 30, 2005 termination date for the Central Intelligence Agency's (CIA) authority under that statute. The CIA has used its Voluntary Separation Incentive Program (VSIP) authority over the past five years to restructure its workforce in support of the DCI's overall strategic direction. This section provides the CIA with permanent authority to offer incentives to targeted groups of employees to encourage separation from employment. Security considerations also support vesting the CIA with permanent authority to administer a CIA-specific VSIP for all CIA officers and employees, whether in CIARDS, Civil Service, or FERS. Section 401 also eliminates the 15 percent fee previously required to be paid by the CIA pursuant to section 2(i) of the VSPA. Section 401 also amends the Federal Workforce Restructuring Act (FWRA) of 1994 by deleting payments made under VSPA from the definition of voluntary separation incentive payments in the FWRA.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

Section 501 amends the National Security Agency Act of 1959 to establish the National Security Agency's Emerging Technologies Panel and grants it an exemption from the Federal Advisory Committee Act (FACA). The topics considered by the panel are almost exclusively classified and, accordingly, its meetings are exempt from the general FACA requirement that advisory board meetings be open to the public. In addition, the panel's published minutes contain classified information and are, therefore, not publicly available. The application of FACA to an advisory panel that considers almost exclusively classified information serves no significant purpose but generates unnecessary administrative burdens, including completing FACA procedures for closing each meeting. For this reason, Congress has previously provided an exemption from FACA for the advisory committees of the CIA and the science and technology advisory panel of the FBI. Difficulties have arisen in conducting joint activities among NSA, CIA, and FBI advisory bodies because the CIA and FBI bodies are reluctant to engage in meetings or other joint activities with the NSA panel when it is obligated to follow administratively burdensome FACA procedures prior to closing every meeting. Conversely, the NSA panel has not found it necessary to meet or engage in other joint activities with advisory bodies that are subject to FACA. Exempting the NSA advisory panel from FACA procedures would significantly facilitate its efficient and effective operation.

TITLE VI—EDUCATION

Subtitle A—National Security Education Program

Section 601 amends the David L. Boren National Security Education Act of 1991 (Title VIII of the Intelligence Authorization Act of 1992) to authorize an appropriation to the Intelligence Community Management Account to support the scholarship, fellowship and grant programs under the National Security Education Pro-

gram (NSEP). The Intelligence Authorization Act of 1992 created the NSEP, along with the National Security Education Trust Fund as a means of funding the NSEP. That trust fund has been nearly depleted and an appropriation of \$8,000,000 is authorized for fiscal year 2005 to maintain the important education opportunities afforded by the NSEP.

Section 602 amends the David L. Boren National Security Education Act of 1991 to modify the service obligations for recipients of NSEP scholarships and fellowships. The section shortens the amount of time a recipient of an NSEP scholarship or fellowship has to find federal employment as part of the service agreement made in exchange for educational assistance. Recipients of scholarships would be required to find federal employment within three years after completion of their studies, while recipients of fellowships would be required to find federal employment within two years after completion of their studies. Recipients of scholarships would be required to serve in the federal government for a period of one year, while recipients of fellowships would be required to serve in the federal government for a period of time equal to the duration of the assistance provided, but in no case less than one year. The section also expands the number of federal agencies in which a recipient may serve to include, in addition the Department of Defense, any element of the intelligence community, the Department of State, and the Department of Homeland Security.

Section 603 amends the David L. Boren National Security Education Act of 1991 to authorize an appropriation of \$12,000,000 for fiscal year 2005 to the Intelligence Community Management Account for the expansion of the grant program for institutions of higher education under the National Flagship Language Initiative (NFLI). The section details certain service obligations required for undergraduate and graduate students and federal employees who receive training in programs under the NFLI. The provision also seeks to increase the number of qualified institutions that receive grants under the NFLI.

Section 604 amends the David L. Boren National Security Education Act of 1991 to establish a scholarship program within NSEP for English language studies for heritage community citizens of the United States. The scholarship program is designed to enable native speakers of languages that are considered critical to the national security interests of the United States to attain English language proficiency. The ultimate goal is to increase the scholarship recipient's English language proficiency to the level where a valuable contribution can be made to the intelligence community. The section establishes certain service obligations for work in a national security position or in the field of education. The section authorizes an appropriation of \$4,000,000 for fiscal year 2005 to the Intelligence Community Management Account to establish the scholarship.

Subtitle B—Improvement in Intelligence Community Foreign Language Skills

Section 611 amends the National Security Act of 1947 to establish an Assistant Director of Central Intelligence for Language and Education to oversee and coordinate the requirements for foreign language education and training of the intelligence community.

The Assistant Director is charged with identifying those languages that are critical to the ability of the intelligence community to carry out national security mission, as well as monitoring the allocation of resources for foreign language education and training. The section also requires the Assistant Director submit to Congress a number of reports relating to the enhancement of the intelligence community's language capabilities.

Section 612 amends the National Security Act of 1947 to establish a language proficiency requirement for those individuals appointed to Senior Intelligence Service (SIS) positions within the CIA's Directorate of Operations (DO) and Directorate of Intelligence (DI). In order to be eligible for promotion to SIS positions within the DO or DI, individuals must be certified as having professional speaking and reading proficiency of at least level 3 on the Interagency Language Roundtable Language Skills Level or commensurate proficiency indicator. The Director of Central Intelligence is tasked with providing to Congress a report explaining which positions, if any, should be exempt from this requirement.

Section 613 amends the National Security Act of 1947 to authorize the Director of Central Intelligence and the Secretary of Defense to establish a program to advance foreign language skills in languages that are critical to the national security interests of the United States. The section allows the intelligence community to enter into educational partnership agreements with educational institutions to encourage and enhance the study of foreign languages. These partnership agreements would allow the intelligence community to provide educational institutions with loaned and surplus equipment, personnel to teach courses and develop curriculum, academic and career advice, and cash awards. The section also provides the intelligence community with the authority to accept the volunteer services of employees of the intelligence community and private citizens in support of the partnership activities. The section provides the intelligence community with the authority to assign employees in analytical positions requiring foreign language expertise to accredited institutions of higher education for training in foreign languages.

Section 614 requires the Director of Central Intelligence to conduct a pilot project to establish a Civilian Linguist Reserve Corps (CLRC) comprised of United States citizens with advanced levels of proficiency in foreign languages. These individuals would be available to be called up to perform federal service in areas relating to their language expertise. The section authorizes an appropriation for the pilot project, which will be conducted for a three-year period. In conducting the pilot project, the Director of Central Intelligence is to take into account the findings and recommendations contained in the CLRC feasibility report, required by the Intelligence Authorization Act for Fiscal Year 2003.

Section 615 amends the National Security Act of 1947 to require the National Virtual Translation Center (NVTC) to minimize the need for a central translation facility. NVTC will do this by utilizing state-of-the-art communications technology, using remote-connection capabilities, and integrating the existing translation capabilities of the intelligence community. The personnel of NVTC will be allowed to perform their translation function from any U.S.

Government-certified secure facility that the Director of Central Intelligence determines to be appropriate for such purpose.

Section 616 requires the Secretary of Defense to conduct a study on methods to improve the recruitment and retention of qualified language instructors at the Foreign Language Center at the Defense Language Institute. In preparing this report, the Secretary is to consider, as a means of recruitment and retention, providing permanent resident alien status to those qualified language instructors who are in the United States in a temporary status.

COMMITTEE POSITION AND RECORDED VOTES TAKEN

Motion To Close

On June 16, 2004, in open session, a quorum being present, the Permanent Select Committee on Intelligence, by a recorded vote of 9 ayes to 8 noes voted to close the Markup pursuant to Rule 5 of the Rules of Procedure of the Permanent Select Committee on Intelligence and Rules 10 and 11 of the Rules of House of Representatives, because national security would be endangered if the matters to be considered were disclosed.

On that vote, the Members present recorded their votes as follows: Mr. Goss (Chairman)—aye; Mr. Bereuter—aye; Mr. Boehlert—aye; Mr. Gibbons—aye; Mr. LaHood—aye; Mr. Cunningham—aye; Mr. Hoekstra—aye; Mr. Everett—aye; Mr. Collins—aye; Mrs. Harman—no; Mr. Reyes—no; Mr. Boswell—no; Mr. Peterson—no; Mr. Cramer—no; Ms. Eshoo—no; Mr. Holt—no; Mr. Ruppertsberger—no.

Closed Session

Chairman Goss offered an amendment in the nature of a substitute to H.R. 4548, as introduced. The Committee adopted the Goss amendment by a voice vote.

An amendment was offered by Mr. Bereuter, to which Mr. Holt offered a second degree amendment that would have expanded the authorities of certain programs contained in the Bereuter amendment. The Committee rejected the Holt amendment by a vote of 8 ayes to 11 noes.

On that vote, the Members present recorded their votes as follows: Mr. Goss (Chairman)—no; Mr. Bereuter—no; Mr. Boehlert—no; Mr. Gibbons—no; Mr. LaHood—no; Mr. Cunningham—no; Mr. Hoekstra—no; Mr. Burr—no; Mr. Everett—no; Mr. Gallegly—no; Mr. Collins—no; Mrs. Harman—aye; Mr. Reyes—aye; Mr. Boswell—aye; Mr. Peterson—aye; Mr. Cramer—aye; Ms. Eshoo—aye; Mr. Holt—aye; Mr. Ruppertsberger—aye.

On Mr. Bereuter's amendment to revise the funding mechanism for scholarships, fellowships, and grants to institutions under the National Security Education Program, and to improve the foreign language capabilities of the Intelligence Community, the Committee voted to adopt the amendment by voice vote.

On Mr. Peterson's amendment to Section 102 of the Goss amendment in the nature of a substitute, previously adopted, to increase funding levels contained in the schedule of authorizations incor-

porated by reference therein, the Committee rejected the amendment by a recorded vote of 8 ayes to 10 noes.

On that vote, the Members present recorded their votes as follows: Mr. Goss (Chairman)—no; Mr. Bereuter—no; Mr. Gibbons—no; Mr. LaHood—no; Mr. Cunningham—no; Mr. Hoekstra—no; Mr. Burr—no; Mr. Everett—no; Mr. Gallegly—no; Mr. Collins—no; Mrs. Harman—aye; Mr. Reyes—aye; Mr. Boswell—aye; Mr. Peterson—aye; Mr. Cramer—aye; Ms. Eshoo—aye; Mr. Holt—aye; Mr. Ruppertsberger—aye.

On Mr. Reyes' amendment to withhold 25% of authorized funds for various intelligence programs until such time as the Committee received certain documents relating to interrogation practices, the Committee rejected the amendment by a vote of 8 ayes to 11 noes.

On that vote, the Members present recorded their votes as follows: Mr. Goss (Chairman)—no; Mr. Bereuter—no; Mr. Boehlert—no; Mr. Gibbons—no; Mr. LaHood—no; Mr. Cunningham—no; Mr. Hoekstra—no; Mr. Burr—no; Mr. Everett—no; Mr. Gallegly—no; Mr. Collins—no; Mrs. Harman—aye; Mr. Reyes—aye; Mr. Boswell—aye; Mr. Peterson—aye; Mr. Cramer—aye; Ms. Eshoo—aye; Mr. Holt—aye; Mr. Ruppertsberger—aye.

On Ms. Eshoo's amendment to withhold 100% of funds authorized for certain intelligence related activities of the Under Secretary of Defense for Intelligence until such time as the Committee receives a report and documents relating to the funding and activities of Ahmed Chalabi, the Committee rejected the amendment by a vote of 8 ayes to 10 noes.

On that vote, the Members present recorded their votes as follows: Mr. Goss (Chairman)—no; Mr. Bereuter—no; Mr. Gibbons—no; Mr. LaHood—no; Mr. Cunningham—no; Mr. Hoekstra—no; Mr. Burr—no; Mr. Everett—no; Mr. Gallegly—no; Mr. Collins—no; Mrs. Harman—aye; Mr. Reyes—aye; Mr. Boswell—aye; Mr. Peterson—aye; Mr. Cramer—aye; Ms. Eshoo—aye; Mr. Holt—aye; Mr. Ruppertsberger—aye.

On Mrs. Harman's amendment to attach H.R. 4104 to the Goss amendment in the nature of a substitute, previously adopted, the Committee rejected the amendment by a vote of 8 ayes to 10 noes.

On that vote, the Members present recorded their votes as follows: Mr. Goss (Chairman)—no; Mr. Bereuter—no; Mr. Gibbons—no; Mr. LaHood—no; Mr. Cunningham—no; Mr. Hoekstra—no; Mr. Burr—no; Mr. Everett—no; Mr. Gallegly—no; Mr. Collins—no; Mrs. Harman—aye; Mr. Reyes—aye; Mr. Boswell—aye; Mr. Peterson—aye; Mr. Cramer—aye; Ms. Eshoo—aye; Mr. Holt—aye; Mr. Ruppertsberger—aye.

On Mr. Peterson's amendment to increase certain funding levels in the classified schedule of authorizations, the Committee rejected the amendment by a vote of 8 ayes to 10 noes.

On that vote, the Members present recorded their votes as follows: Mr. Goss (Chairman)—no; Mr. Bereuter—no; Mr. Gibbons—no; Mr. LaHood—no; Mr. Cunningham—no; Mr. Hoekstra—no; Mr. Burr—no; Mr. Everett—no; Mr. Gallegly—no; Mr. Collins—no; Mrs. Harman—aye; Mr. Reyes—aye; Mr. Boswell—aye; Mr. Peterson—aye; Mr. Cramer—aye; Ms. Eshoo—aye; Mr. Holt—aye; Mr. Ruppertsberger—aye.

On Mr. Cramer's amendment to modify the funding level for a classified program in the classified schedule of authorizations, the Committee rejected the amendment by a vote of 9 ayes to 10 noes.

On that vote, the Members present recorded their votes as follows: Mr. Goss (Chairman)—no; Mr. Bereuter—aye; Mr. Boehlert—no; Mr. Gibbons—no; Mr. LaHood—no; Mr. Cunningham—no; Mr. Hoekstra—no; Mr. Burr—no; Mr. Everett—no; Mr. Gallegly—no; Mr. Collins—no; Mrs. Harman—aye; Mr. Reyes—aye; Mr. Boswell—aye; Mr. Peterson—aye; Mr. Cramer—aye; Ms. Eshoo—aye; Mr. Holt—aye; Mr. Ruppertsberger—aye.

On Mr. Gibbons' amendment to reduce funding for a research and development program and transfer those funds to provide additional resources to the DCI for sustained operations tempo for prosecuting the Global War on Terrorism, the Committee rejected the amendment by a vote of 8 ayes, 9 noes and 2 pass.

On that vote, the Members present recorded their votes as follows: Mr. Goss (Chairman)—aye; Mr. Bereuter—pass; Mr. Boehlert—aye; Mr. Gibbons—aye; Mr. LaHood—aye; Mr. Cunningham—aye; Mr. Hoekstra—aye; Mr. Burr—pass; Mr. Everett—no; Mr. Gallegly—aye; Mr. Collins—aye; Mrs. Harman—no; Mr. Reyes—no; Mr. Boswell—no; Mr. Peterson—no; Mr. Cramer—no; Ms. Eshoo—no; Mr. Holt—no; Mr. Ruppertsberger—no.

Open Session

On June 16, 2004, in open session, a quorum being present, the Permanent Select Committee on Intelligence, by a recorded vote of 11 ayes to 8 noes, approved the bill, H.R. 4548, as amended with an amendment in the nature of a substitute. 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. Boehlert—aye; Mr. Gibbons—aye; Mr. LaHood—aye; Mr. Cunningham—aye; Mr. Hoekstra—aye; Mr. Burr—aye; Mr. Everett—aye; Mr. Gallegly—aye; Mr. Collins—aye; Mrs. Harman—no; Mr. Reyes—no; Mr. Boswell—no; Mr. Peterson—no; Mr. Cramer—no; Ms. Eshoo—no; Mr. Holt—no; Mr. Ruppertsberger—no.

CORRESPONDENCE WITH OTHER COMMITTEES REGARDING
PARTICULAR PROVISIONS

COMMITTEE ON ARMED SERVICES

COMMITTEE ON ARMED SERVICES,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 18, 2004.

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

DEAR MR. CHAIRMAN: I am writing to you concerning the jurisdictional interest of the Committee on Armed Services in matters being considered in H.R. 4548, a bill to authorize appropriations for fiscal year 2005 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.

Our Committee recognizes the importance of H.R. 4548 and the need for the legislation to move expeditiously. Therefore, while we have a valid claim to jurisdiction over a number of provisions of the bill, I do not intend to request a sequential referral. This, of course, is conditional on our mutual understanding that nothing in this legislation or my decision to forego a sequential referral waives, reduces or otherwise affects the jurisdiction of the Committee on Armed Services.

The Committee on Armed Services also asks that you support our request to be conferees on the provisions over which we have jurisdiction during any House-Senate conference.

With best wishes.

Sincerely,

DUNCAN HUNTER,
Chairman.

HOUSE OF REPRESENTATIVES,
PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, June 18, 2004.

Hon. DUNCAN HUNTER,
*Chairman, Committee on Armed Services,
Rayburn HOB, Washington, DC.*

DEAR CHAIRMAN HUNTER: Thank you for your letter of June 18, 2004, regarding H.R. 4548, the Intelligence Authorization Act for Fiscal Year 2005. As you noted, elements of the bill as reported fall within the Rule X jurisdiction of the Committee on Armed Services. I will continue to work with you on these sections and will support the Committee on Armed Services' request to the Speaker for conferees on these provisions.

I appreciate your willingness to forgo consideration of the bill and not request a sequential referral in the interests of expediting consideration of the bill.

I acknowledge that by agreeing to waive consideration of the bill, the Committee on Armed Services does not waive its jurisdiction over the bill or any of the matters under your jurisdiction. I will include a copy of your letter and this response in our Committee's

report on H.R. 4548 and the Congressional Record during consideration of the legislation on the House floor.

Thank you for your assistance in this matter.
Sincerely,

PORTER J. GOSS,
Chairman.

COMMITTEE ON EDUCATION AND THE WORKFORCE

COMMITTEE ON EDUCATION AND THE WORKFORCE,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 21, 2004.

Hon. PORTER GOSS,
Permanent Select Committee on Intelligence,
Capitol, Washington, DC.

DEAR CHAIRMAN GOSS: I am writing to confirm our mutual understanding with respect to consideration of H.R. 4548, Intelligence Authorization Act for Fiscal Year 2005, which the Permanent Select Committee on Intelligence ordered reported on June 16, 2004. While this bill was referred solely to the Permanent Select Committee on Intelligence, your Committee adopted provisions within the jurisdiction of the Committee on Education and the Workforce, specifically those programs for national security education now contained in the new Title VI, Education.

Within Title VI, the Committee also included provisions changing the application of the Federal Employees Compensation Act (FECA) to contain volunteers, which the Congressional Budget Office has indicated will increase mandatory spending FECA. I thank you for working with me and for agreeing to offer an amendment to the bill for the rule during the Committee on Rules consideration of H.R. 4548. Since this amendment will correct a mandatory spending problem, I will support your request that this amendment be adopted as a self-executed amendment to the rule for H.R. 4548.

With this understanding, I do not intend to delay consideration of H.R. 4548, nor will I object to the scheduling of this bill for consideration in the House of Representatives. However, I do so only with the understanding that this procedural route should not be construed to prejudice the Committee on Education and the Workforce's jurisdictional interest and prerogatives on these provisions or any other similar legislation and will not be considered as precedent for consideration of matters of jurisdictional interest to my Committee in the future. Furthermore, should these or similar provisions be considered in a conference with the Senate, I would expect Members of the Committee on Education and the Workforce be appointed to the conference committee on those provisions.

Finally, I would ask that you include a copy of our exchange of letters on this matter in your report to accompany this bill. If you have questions regarding this matter, please do not hesitate to call me. I thank you for your consideration.

Sincerely,

JOHN A. BOEHNER,
Chairman.

HOUSE OF REPRESENTATIVES,
PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, June 21, 2004.

Hon. JOHN A. BOEHNER,
*Chairman, Committee on Education and the Workforce,
Rayburn HOB, Washington, DC.*

DEAR CHAIRMAN BOEHNER: Thank you for your letter of June 21, 2004, regarding H.R. 4548, the Intelligence Authorization Act for Fiscal Year 2005. As you noted, provisions of the bill as reported fall within the Rule X jurisdiction of the Committee on Education and Workforce. I will continue to work with you on these sections. I understand that the bill includes a provision changing the application of the Federal Employees Compensation Act (FECA) to certain volunteers, and that the Congressional Budget Office has indicated that this provision would increase mandatory spending in FECA. I agree to offer an amendment to the bill for the rule during the Committee on the Rules consideration of H.R. 4548.

I appreciate your willingness to forgo consideration of the bill and not request a sequential referral in the interests of expediting consideration of the bill. I acknowledge that by agreeing to waive consideration of the bill, the Committee on Education and Workforce does not waive its jurisdiction over the bill or any of the matters under your jurisdiction. In addition, I will support the Committee on Education and Workforce's request to the Speaker to name conferees to the conference committee on these provisions.

I will include a copy of your letter and this response in our Committee's report on H.R. 4548 and the Congressional Record during consideration of the legislation on the House floor.

Thank you for your assistance in this matter.
Sincerely,

PORTER J. GOSS,
Chairman.

OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee held 14 hearings and briefings on the classified budgetary issues raised by H.R. 4548. Testimony was taken from senior officials of the Central Intelligence Agency; the DCI's Community Management Staff; the Department of Defense; the Defense Intelligence Agency; the National Security Agency; the National Reconnaissance Office; the National GeoSpatial-Intelligence Agency; the Departments of the Army, Navy, and Air Force; the Department of State; the Department of Treasury; the Department of Energy; the Department of Justice; the Federal Bureau of Investigation; the Department of Homeland Security; and the U.S. Coast Guard. Such testimony related to 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 2005." 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 2005 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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 21, 2004.

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. 4548, the Intelligence Authorization Act for Fiscal Year 2005.

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

Sincerely,

ELIZABETH M. ROBINSON
(For Douglas Holtz-Eakin, Director).

Enclosure.

H.R. 4548—Intelligence Authorization Act for Fiscal Year 2005

Summary: H.R. 4548 would authorize appropriations for fiscal year 2005 for intelligence activities of the U.S. 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 certain provisions of the bill would cost \$344 million over the 2005–2009 period, assuming appropriation of the necessary funds. H.R. 4548 would affect direct spending, but CBO cannot estimate those effects because the data needed to prepare such an estimate are classified.

H.R. 4548 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Some private or public educational institutions would benefit from grant programs and appropriations authorized in this bill; any costs incurred by those schools would be incurred voluntarily.

Estimated cost to the Federal Government: The estimated budgetary impact of the unclassified portions of H.R. 4548 is shown in the following table. CBO cannot obtain the necessary information to estimate the costs for the entire bill because some 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 by October 1, 2004, and that the necessary amounts will be appropriated for fiscal year 2005. 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—				
	2005	2006	2007	2008	2009
CHANGES IN SPENDING SUBJECT TO APPROPRIATION ¹					
Intelligence Community Management Account:					
Authorization Level	318	0	0	0	0
Estimated Outlays	193	98	20	5	0
Foreign Language Initiatives:					
Estimated Authorization Level	4	4	4	4	4
Estimated Outlays	2	4	4	4	4
Emerging Technologies Panel:					
Estimated Authorization Level	2	2	2	2	2
Estimated Outlays	2	2	2	2	2
Total Changes:					
Estimated Authorization Level	324	6	6	6	6
Estimated Outlays	197	104	26	11	6

¹In addition to effects on spending subject to appropriation, H.R. 4548 would affect direct spending. However, CBO cannot estimate those effects because the data needed to prepare an estimate are classified.

Basis of estimate

Spending subject to appropriation

H.R. 4548 would authorize the appropriation of \$318 million for the Intelligence Community Management Account, which funds the coordination of programs, budget oversight, and management of the intelligence agencies. That account received an appropriation of \$178 million for 2004. The bill would earmark \$30 million for the National Drug Intelligence Center and \$24 million for education initiatives from the funds authorized for the Intelligence Community Management Account. In addition to the costs covered by the specified authorization, the bill contains several new provisions, dealing with foreign language training and an advisory panel, that CBO estimates would require additional appropriations of \$30 million over the 2005–2009 period to implement. CBO estimates that implementing these provisions would cost \$344 million over the 2005–2009 period, assuming appropriation of the specified and estimated amounts.

Foreign Language Initiatives. Section 613 would enhance the authorities of the intelligence community to provide foreign language training to its employees by allowing the Secretary of Defense and Director of Central Intelligence to create a joint Foreign Languages Program. Under this program, the intelligence community would be allowed to enter into cooperative agreements with educational institutions to develop and administer instruction in foreign languages critical to national security activities. The provision also would allow the Director of Central Intelligence to reimburse employees for the cost of foreign language materials and instruction at institutions of higher education. The cost of both programs would depend on how the agencies chose to implement each program and the number of individuals involved. Absent information from the intelligence community on how these programs would be implemented, CBO based its estimate on the cost of programs within the Foreign Service Institute and the Defense Foreign Language Institute that focus on languages critical to the current Global War on Terrorism. CBO estimates the cost of implementing both new programs would be about \$4 million a year over the 2005–2009 period.

Emerging Technologies Panel. Section 501 would establish the National Security Agency Emerging Technologies Panel to advise the director of that agency on technological advances on encryption and other topics. Based on the budgets of other standing committees and advisory panels, CBO estimates the administrative cost to operate this panel would total about \$2 million a year over the 2005–2009 period.

Direct spending and revenues

Section 201 would authorize the appropriation of \$239 million for CIARDS to cover retirement costs attributable to military service and various unfunded liabilities. The appropriation 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 extend indefinitely the authority of the Central Intelligence Agency (CIA) to offer incentive payments to employees who voluntarily retire or resign. Under current law, this authority would expire on September 30, 2005. This section also would eliminate the requirement that the CIA make deposit to the Civil Service Retirement and Disability Fund equal to 15 percent of final pay for each employee who accepts an incentive payment. Extending authority to offer incentive payments to these employees could increase outlays from the civil service retirement system in the near term, although those amounts would be offset by reduced retirement payments in later years. CBO cannot provide an estimate of the direct spending effects because the data needed for such an estimate are classified.

Intergovernmental and private-sector impact: This bill contains no intergovernmental or private-sector mandates as defined in UMR. The bill would authorize \$8 million in fiscal year 2005 for the National Security Education Program. Under current law, colleges and universities receive one-third of those funds to increase foreign language and regional programs. The bill also would authorize the appropriation of \$22 million in fiscal year 2005 for the National Flagship Language Initiative and encourage the participation of more schools in the program. Finally, the bill would authorize loans and transfers of equipment, instructional material, and cash awards to schools through the Foreign Languages Program. Some private or public schools would benefit from those programs; any costs incurred by those schools would be incurred voluntarily.

Previous CBO estimate: On May 21, 2004, CBO transmitted a cost estimate for the unclassified portion of S. 2386, the Intelligence Authorization Act for Fiscal Year 2005, as reported by the Senate Select Committee on Intelligence on May 5, 2004. The differences in the estimated costs reflect differences in the bills. In particular, S. 2386 would authorize \$343 million for the Intelligence Community Management Account, while H.R. 4548 would authorize \$318 million for that account. H.R. 4548 also would authorize new programs for foreign language training and an advisory panel, which CBO estimates would require additional appropriations of about \$30 million over the 2005–2009 period.

Estimates prepared by: Federal Costs: Matthew Schmit. Impact on State, Local, and Tribal Governments: Melissa Merrell. Impact on the Private Sector: David Arthur.

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

SHORT TITLE

That this Act may be cited as the “National Security Act of 1947”.

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Sec. 2. Declaration of policy.

* * * * *

TITLE I—COORDINATION FOR NATIONAL SECURITY

Sec. 101. National Security Council.

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Sec. 119. National Virtual Translation Center.

* * * * *

TITLE X—EDUCATION IN SUPPORT OF NATIONAL INTELLIGENCE

[Sec. 1001. Scholarships and work-study for pursuit of graduate degrees in science and technology.]

Subtitle A—Science and Technology

Sec. 1001. Scholarships and work-study for pursuit of graduate degrees in science and technology.

Subtitle B—Foreign Languages Program

- Sec. 1011. Program on advancement of foreign languages critical to the intelligence community.
- Sec. 1012. Education partnerships.
- Sec. 1013. Voluntary services.
- Sec. 1014. Regulations.
- Sec. 1015. Definitions.

Subtitle C—Additional Education Provisions

- Sec. 1021. Assignment of intelligence community personnel as language students.

* * * * *

TITLE I—COORDINATION FOR NATIONAL SECURITY

* * * * *

OFFICE OF THE DIRECTOR OF CENTRAL INTELLIGENCE

SEC. 102. (a) * * *

* * * * *

(d) DUTIES OF DEPUTY DIRECTORS.—(1)(A) * * *

* * * * *

(2) The Deputy Director of Central Intelligence for Community Management shall, subject to the direction of the Director of Central Intelligence, be responsible for the following:

(A) * * *

* * * * *

(E) Through the Assistant Director of Central Intelligence for Language and Education, ensuring the foreign language education and training requirements of the intelligence community are met.

* * * * *

(e) OFFICE OF THE DIRECTOR OF CENTRAL INTELLIGENCE.—
(1) * * *

(2) The Office of the Director of Central Intelligence is composed of the following:

(A) * * *

* * * * *

[(G) The Assistant Director of Central Intelligence for Administration.]

(G) The Assistant Director of Central Intelligence for Information Management.

(H) The Assistant Director of Central Intelligence for Education and Language.

[(H)] *(I) Such other offices and officials as may be established by law or the Director of Central Intelligence may establish or designate in the Office.*

* * * * *

[(h) ASSISTANT DIRECTOR OF CENTRAL INTELLIGENCE FOR ADMINISTRATION.—(1) To assist the Director of Central Intelligence in carrying out the Director's responsibilities under this Act, there shall be an Assistant Director of Central Intelligence for Administration who shall be appointed by the President, by and with the advice and consent of the Senate.

【(2) The Assistant Director for Administration shall manage such activities relating to the administration of the intelligence community as the Director of Central Intelligence shall require.】

(h) ASSISTANT DIRECTOR OF CENTRAL INTELLIGENCE FOR INFORMATION MANAGEMENT.—(1) To assist the Director of Central Intelligence in carrying out the Director's responsibilities under this Act, there shall be an Assistant Director of Central Intelligence for Information Management who shall be appointed by the President, by and with the advice and consent of the Senate. The Assistant Director of Central Intelligence for Information Management is the chief information officer of the intelligence community.

(2) Subject to the direction of the Director of Central Intelligence, the Assistant Director of Central Intelligence for Information Management shall—

(A) manage activities relating to the information technology infrastructure and enterprise architecture requirements of the intelligence community;

(B) have procurement approval authority over all information technology items related to the enterprise architectures of all intelligence community components;

(C) direct and manage all information technology-related procurement for the intelligence community; and

(D) ensure that all expenditures for information technology and research and development activities are consistent with the intelligence community enterprise architecture and the strategy of the Director of Central Intelligence for such architecture.

(3) An individual serving in the position of Assistant Director of Central Intelligence for Information Management may not, while so serving, serve as the chief information officer of any other agency or department, or component thereof, of the United States.

(i) ASSISTANT DIRECTOR OF CENTRAL INTELLIGENCE FOR LANGUAGE AND EDUCATION.—(1) To assist the Director of Central Intelligence in carrying out the Director's responsibilities under this Act, there shall be an Assistant Director of Central Intelligence for Language and Education who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) The Assistant Director of Central Intelligence for Language and Education shall carry out the following duties:

(A) Overseeing and coordinating requirements for foreign language education and training of the intelligence community.

(B) Establishing policy, standards, and priorities relating to such requirements.

(C) Identifying languages that are critical to the capability of the intelligence community to carry out national security activities of the United States.

(D) Monitoring the allocation of resources for foreign language education and training in order to ensure the requirements of the intelligence community with respect to foreign language proficiency are met.

(E) Making determinations under section 104(i).

* * * * *

AUTHORITIES OF THE DIRECTOR OF CENTRAL INTELLIGENCE

SEC. 104. (a) * * *

* * * * *

(i) *REQUIREMENT FOR FOREIGN LANGUAGE PROFICIENCY FOR CERTAIN SENIOR LEVEL POSITIONS IN THE CENTRAL INTELLIGENCE AGENCY.—(1) An individual may not be appointed to a position in the Senior Intelligence Service in the Directorate of Intelligence or the Directorate of Operations of the Central Intelligence Agency unless the Director of Central Intelligence determines that the individual—*

(A) has been certified as having a professional speaking and reading proficiency in a foreign language, such proficiency being at least level 3 on the Interagency Language Roundtable Language Skills Level or commensurate proficiency level on such other indicator of proficiency as the Director determines to be appropriate; and

(B) is able to effectively communicate the priorities of the United States and exercise influence in that foreign language.

(2) The Director shall carry out this subsection through the Assistant Director of Central Intelligence for Language and Education.

* * * * *

NATIONAL VIRTUAL TRANSLATION CENTER

SEC. 119. (a) *IN GENERAL.—There is an element of the intelligence community known as the National Virtual Translation Center under the direction of the Director of Central Intelligence.*

(b) *FUNCTION.—The National Virtual Translation Center shall provide for timely and accurate translations of foreign intelligence for all other elements of the intelligence community.*

(c) *FACILITATING ACCESS TO TRANSLATIONS.—In order to minimize the need for a central facility for the National Virtual Translation Center, the Center shall—*

(1) use state-of-the-art communications technology;

(2) integrate existing translation capabilities in the intelligence community; and

(3) use remote-connection capacities.

(d) *USE OF SECURE FACILITIES.—Personnel of the National Virtual Translation Center may carry out duties of the Center at any location that—*

(1) has been certified as a secure facility by an agency or department of the United States; and

(2) the Director of Central Intelligence determines to be appropriate for such purpose.

* * * * *

TITLE X—EDUCATION IN SUPPORT OF NATIONAL INTELLIGENCE

Subtitle A—Science and Technology

* * * * *

Subtitle B—Foreign Languages Program

PROGRAM ON ADVANCEMENT OF FOREIGN LANGUAGES CRITICAL TO THE INTELLIGENCE COMMUNITY

SEC. 1011. (a) ESTABLISHMENT OF PROGRAM.—The Secretary of Defense and the Director of Central Intelligence may jointly establish a program to advance foreign languages skills in languages that are critical to the capability of the intelligence community to carry out national security activities of the United States (hereinafter in this subtitle referred to as the “Foreign Languages Program”).

(b) IDENTIFICATION OF REQUISITE ACTIONS.—In order to carry out the Foreign Languages Program, the Secretary of Defense and the Director of Central Intelligence shall jointly determine actions required to improve the education of personnel in the intelligence community in foreign languages that are critical to the capability of the intelligence community to carry out national security activities of the United States to meet the long-term intelligence needs of the United States.

EDUCATION PARTNERSHIPS

SEC. 1012. (a) IN GENERAL.—In carrying out the Foreign Languages Program, the head of an element of an intelligence community entity may enter into one or more education partnership agreements with educational institutions in the United States in order to encourage and enhance the study of foreign languages that are critical to the capability of the intelligence community to carry out national security activities of the United States in educational institutions.

(b) ASSISTANCE PROVIDED UNDER EDUCATIONAL PARTNERSHIP AGREEMENTS.—Under an educational partnership agreement entered into with an educational institution pursuant to this section, the head of an element of an intelligence community entity may provide the following assistance to the educational institution:

(1) The loan of equipment and instructional materials of the element of the intelligence community entity to the educational institution for any purpose and duration that the head determines to be appropriate.

(2) Notwithstanding any other provision of law relating to transfers of surplus property, the transfer to the educational institution of any computer equipment, or other equipment, that is—

(A) commonly used by educational institutions;

(B) surplus to the needs of the entity; and

(C) determined by the head of the element to be appropriate for support of such agreement.

(3) The provision of dedicated personnel to the educational institution—

(A) to teach courses in foreign languages that are critical to the capability of the intelligence community to carry out national security activities of the United States; or

(B) to assist in the development of such courses and materials for the institution.

(4) *The involvement of faculty and students of the educational institution in research projects of the element of the intelligence community entity.*

(5) *Cooperation with the educational institution in developing a program under which students receive academic credit at the educational institution for work on research projects of the element of the intelligence community entity.*

(6) *The provision of academic and career advice and assistance to students of the educational institution.*

(7) *The provision of cash awards and other items that the head of the element of the intelligence community entity determines to be appropriate.*

VOLUNTARY SERVICES

SEC. 1013. (a) AUTHORITY TO ACCEPT SERVICES.—*Notwithstanding section 1342 of title 31, United States Code, and subject to subsection (b), the Foreign Languages Program under section 1011 shall include authority for the head of an element of an intelligence community entity to accept from any individual who is dedicated personnel (as defined in section 1016(3)) voluntary services in support of the activities authorized by this subtitle.*

(b) REQUIREMENTS AND LIMITATIONS.—(1) *In accepting voluntary services from an individual under subsection (a), the head of the element shall—*

(A) supervise the individual to the same extent as the head of the element would supervise a compensated employee of that element providing similar services; and

(B) ensure that the individual is licensed, privileged, has appropriate educational or experiential credentials, or is otherwise qualified under applicable law or regulations to provide such services.

(2) *In accepting voluntary services from an individual under subsection (a), the head of an element of the intelligence community entity may not—*

(A) place the individual in a policymaking position, or other position performing inherently government functions; or

(B) except as provided in subsection (e), compensate the individual for the provision of such services.

(c) AUTHORITY TO RECRUIT AND TRAIN INDIVIDUALS PROVIDING SERVICES.—*The head of an element of an intelligence community entity may recruit and train individuals to provide voluntary services accepted under subsection (a).*

(d) STATUS OF INDIVIDUALS PROVIDING SERVICES.—(1) *Subject to paragraph (2), while providing voluntary services accepted under subsection (a) or receiving training under subsection (c), an individual shall be considered to be an employee of the Federal Government only for purposes of the following provisions of law:*

(A) Subchapter I of chapter 81 of title 5, United States Code (relating to compensation for work-related injuries).

(B) Section 552a of title 5, United States Code (relating to maintenance of records on individuals).

(C) Chapter 11 of title 18, United States Code (relating to conflicts of interest).

(2)(A) *With respect to voluntary services accepted under paragraph (1) provided by an individual that are within the scope of the*

services so accepted, the individual is deemed to be a volunteer of a governmental entity or nonprofit institution for purposes of the Volunteer Protection Act of 1997 (42 U.S.C. 14501 et seq.).

(B) In the case of any claim against such an individual with respect to the provision of such services, section 4(d) of such Act (42 U.S.C. 14503(d)) shall not apply.

(3) Acceptance of voluntary services under this section shall have no bearing on the issuance or renewal of a security clearance.

(e) *COMPENSATION FOR WORK-RELATED INJURIES.*—For purposes of determining the compensation for work-related injuries payable under chapter 81 of title 5, United States Code, to an individual providing voluntary services accepted under subsection (a), the monthly pay of the individual for such services is deemed to be equal to the amount determined by multiplying—

(1) the average monthly number of hours that the individual provided the services, by

(2) the minimum wage determined in accordance with section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)).

(f) *REIMBURSEMENT OF INCIDENTAL EXPENSES.*—(1) The head of an element of the intelligence community entity may reimburse an individual for incidental expenses incurred by the individual in providing voluntary services accepted under subsection (a). The head of an element of the intelligence community entity shall determine which expenses are eligible for reimbursement under this subsection.

(2) Reimbursement under paragraph (1) may be made from appropriated or nonappropriated funds.

(g) *AUTHORITY TO INSTALL EQUIPMENT.*—(1) The head of an element of the intelligence community may install telephone lines and any necessary telecommunication equipment in the private residences of individuals who provide voluntary services accepted under subsection (a).

(2) The head of an element of the intelligence community may pay the charges incurred for the use of equipment installed under paragraph (1) for authorized purposes.

(3) Notwithstanding section 1348 of title 31, United States Code, the head of an element of the intelligence community entity may use appropriated funds or nonappropriated funds of the element in carrying out this subsection.

REGULATIONS

SEC. 1014. (a) IN GENERAL.—The Secretary of Defense and the Director of Central Intelligence jointly shall promulgate regulations necessary to carry out the Foreign Languages Program authorized under this subtitle.

(b) *ELEMENTS OF THE INTELLIGENCE COMMUNITY.*—Each head of an element of an intelligence community entity shall prescribe regulations to carry out sections 1012 and 1013 with respect to that element including the following:

(1) Procedures to be utilized for the acceptance of voluntary services under section 1013.

(2) Procedures and requirements relating to the installation of equipment under section 1013(g).

DEFINITIONS

SEC. 1015. *In this subtitle:*

(1) *The term “intelligence community entity” means an agency, office, bureau, or element referred to in subparagraphs (B) through (K) of section 3(4).*

(2) *The term “educational institution” means—*

(A) *a local educational agency (as that term is defined in section 9101(26) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(26))),*

(B) *an institution of higher education (as defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002) other than institutions referred to in subsection (a)(1)(C) of such section), or*

(C) *any other nonprofit institution that provides instruction of foreign languages in languages that are critical to the capability of the intelligence community to carry out national security activities of the United States.*

(3) *The term “dedicated personnel” means employees of the intelligence community and private citizens (including former civilian employees of the Federal Government who have been voluntarily separated, and members of the United States Armed Forces who have been honorably discharged or generally discharged under honorable circumstances, and rehired on a voluntary basis specifically to perform the activities authorized under this subtitle).*

Subtitle C—Additional Education Provisions

ASSIGNMENT OF INTELLIGENCE COMMUNITY PERSONNEL AS LANGUAGE STUDENTS

SEC. 1021. (a) *IN GENERAL.—The Director of Central Intelligence, acting through the heads of the elements of the intelligence community, may assign employees of such elements in analyst positions requiring foreign language expertise as students at accredited professional, technical, or other institutions of higher education for training at the graduate or undergraduate level in foreign languages required for the conduct of duties and responsibilities of such positions.*

(b) *AUTHORITY FOR REIMBURSEMENT OF COSTS OF TUITION AND TRAINING.—(1) The Director may reimburse an employee assigned under subsection (a) for the total cost of the training described in subsection (a), including costs of educational and supplementary reading materials.*

(2) *The authority under paragraph (1) shall apply to employees who are assigned on a full-time or part-time basis.*

(3) *Reimbursement under paragraph (1) may be made from appropriated or nonappropriated funds.*

(c) *RELATIONSHIP TO COMPENSATION AS AN ANALYST.—Reimbursement under this section to an employee who is an analyst is in addition to any benefits, allowances, travels, or other compensa-*

tion the employee is entitled to by reason of serving in such an analyst position.

* * * * *

**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, 2005.]

[(g)] (f) REGULATIONS.—The Director shall prescribe such regulations as may be necessary to carry out this section.

[(h)] (g) REPORTING REQUIREMENTS.—

(1) **OFFERING NOTIFICATION.—**The Director may not make an offering of voluntary separation pay pursuant to this section until 30 days after submitting to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate a report describing the occupational groups or geographic locations, or other similar limitations or conditions, required by the Director under subsection (d).

(2) **ANNUAL REPORT.—**At the end of each of the fiscal years 1993 through 1997, the Director shall submit to the President and the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate a report on the effectiveness and costs of carrying out this section.

[(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, 2002, 2003, 2004, or 2005, 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).]

* * * * *

**SECTION 4 OF THE FEDERAL WORKFORCE
RESTRUCTURING ACT OF 1994**

SEC. 4. ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.

(a) **RELATING TO FISCAL YEARS 1994 AND 1995.—**

(1) * * *

(2) **DEFINITIONS.—**For the purpose of this subsection—

(A) * * *

(B) the term “voluntary separation incentive payment” means—

(i) * * *

* * * * *

(ii) any separation pay under section 5597 of title 5, United States Code, or section 2 of the Central Intelligence Agency Voluntary Separation Pay Act (Public Law 103–36; 107 Stat. 104).

* * * * *

NATIONAL SECURITY AGENCY ACT OF 1959

* * * * *

SEC. 19. (a) There is established the National Security Agency Emerging Technologies Panel. The panel is a standing panel of the National Security Agency. The panel shall be appointed by, and shall report directly to, the Director.

(b) The National Security Agency Emerging Technologies Panel shall study and assess, and periodically advise the Director on, the research, development, and application of existing and emerging science and technology advances, advances on encryption, and other topics.

(c) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the National Security Agency Emerging Technologies Panel.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1992

* * * * *

TITLE VIII—NATIONAL SECURITY SCHOLARSHIPS, FELLOWSHIPS, AND GRANTS

SEC. 801. SHORT TITLE, FINDINGS, AND PURPOSES.

(a) SHORT TITLE.—This title may be cited as the “David L. Boren National Security Education Act of 1991”.

* * * * *

SEC. 802. SCHOLARSHIP, FELLOWSHIP, AND GRANT PROGRAM.

(a) PROGRAM REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense shall carry out a program for—

(A) * * *

* * * * *

(C) awarding grants to institutions of higher education to enable such institutions to establish, operate, or improve programs in foreign languages, area studies, counterproliferation studies, and other international fields that are critical areas of those disciplines (as determined under section 803(d)(4)(C)); [and]

(D) awarding grants to institutions of higher education to carry out activities under the National Flagship Language Initiative (described in subsection (i))**[.]**; and

(E) awarding scholarships to students who—

(i) are United States citizens who—

(I) are native speakers (commonly referred to as heritage community residents) of a foreign language that is identified as critical to the national security interests of the United States who should be actively recruited for employment by Federal security agencies with a need for linguists; and

(II) are not proficient at a professional level in the English language with respect to reading, writing, and interpersonal skills required to carry out the national security interests of the United States, as determined by the Secretary,

to enable such students to pursue English language studies at an institution of higher education of the United States to attain proficiency in those skills; and

(ii) enter into an agreement to work in a national security position or work in the field of education in the area of study for which the scholarship was awarded in a similar manner (as determined by the Secretary) as agreements entered into pursuant to subsection (b)(2)(A).

(2) FUNDING ALLOCATIONS.—Of the amount available for obligation out of the National Security Education Trust Fund or from a transfer under section 810(c) for any fiscal year for the purposes stated in paragraph (1), the Secretary shall have a goal of allocating—

(A) * * *

* * * * *

The funding allocation under this paragraph shall not apply to grants under paragraph (1)(D) for the National Flagship Language Initiative described in subsection (i) or for the scholarship program under paragraph (1)(E). For the authorization of appropriations for the National Flagship Language Initiative, see section 811. For the authorization of appropriations for the scholarship program under paragraph (1)(E), see section 812.

* * * * *

(b) SERVICE AGREEMENT.—In awarding a scholarship or fellowship under the program, the Secretary or contract organization referred to in subsection (a)(4), as the case may be, shall require a recipient of any fellowship, or any scholarship to enter into an agreement that, in return for such assistance, the recipient—

(1) * * *

(2) will—

[(A) in the case of a recipient of a scholarship, after the recipient's completion of the study for which scholarship assistance was provided under the program, work in a position in the Department of Defense or other element of the intelligence community that is certified by the Secretary as appropriate to utilize the unique language and region expertise acquired by the recipient pursuant to such

study for a period specified by the Secretary, which period shall include one year of service for each year, or portion thereof, for which such scholarship assistance was provided; or

[(B) in the case of a recipient of a fellowship, after the recipient's completion of the study for which the fellowship assistance was provided under the program, work in a position described in subparagraph (A) that is certified by the Secretary as appropriate to utilize the unique language and region expertise acquired by the recipient pursuant to such study for a period specified by the Secretary, which period shall (at the discretion of the Secretary) include not less than one nor more than three years for each year, or portion thereof, for which such fellowship assistance was provided; and]

(A) in the case of a recipient of a scholarship, as soon as practicable but in no case later than three years after the completion by the recipient of the study for which scholarship assistance was provided under the program, the recipient shall work for a period of one year—

(i) in a national security position that the Secretary certifies is appropriate to use the unique language and region expertise acquired by the recipient pursuant to such study in the Department of Defense, in any element of the intelligence community, in the Department of Homeland Security, or in the Department of State; or

(ii) in such a position in any other Federal department or agency not referred to in clause (i) if the recipient demonstrates to the Secretary that no position is available in a Federal department or agency specified in clause (i); or

(B) in the case of a recipient of a fellowship, as soon as practicable but in no case later than two years after the completion by the recipient of the study for which fellowship assistance was provided under the program, the recipient shall work for a period equal to the duration of assistance provided under the program, but in no case less than one year—

(i) in a position described in subparagraph (A)(i) that the Secretary certifies is appropriate to use the unique language and region expertise acquired by the recipient pursuant to such study; or

(ii) in such a position in any other Federal department or agency not referred to in clause (i) if the recipient demonstrates to the Secretary that no position is available in a Federal department or agency specified in clause (i); and

* * * * *
 (i) NATIONAL FLAGSHIP LANGUAGE INITIATIVE.—(1) * * *
 * * * * *

(5)(A) In the case of an undergraduate or graduate student that participates in training in programs under paragraph (1), the student shall enter into an agreement described in subsection (b), other

than such a student who has entered into such an agreement pursuant to subparagraph (A)(ii) or (B)(ii) of section 802(a)(1).

(B) In the case of an employee of an agency or department of the Federal Government that participates in training in programs under paragraph (1), the employee shall agree in writing—

(i) to continue in the service of the agency or department of the Federal Government employing the employee for the period of such training;

(ii) to continue in the service of such agency or department employing the employee following completion of such training for a period of two years for each year, or part of the year, of such training;

(iii) to reimburse the United States for the total cost of such training (excluding the employee's pay and allowances) provided to the employee if, before the completion by the employee of the training, the employment of the employee by the agency or department is terminated due to misconduct by the employee or by the employee voluntarily; and

(iv) to reimburse the United States if, after completing such training, the employment of the employee by the agency or department is terminated either by the agency or department due to misconduct by the employee or by the employee voluntarily, before the completion by the employee of the period of service required in clause (ii), in an amount that bears the same ratio to the total cost of the training (excluding the employee's pay and allowances) provided to the employee as the unserved portion of such period of service bears to the total period of service under clause (ii).

(C) Subject to subparagraph (D), the obligation to reimburse the United States under an agreement under subparagraph (A) is for all purposes a debt owing the United States.

(D) The head of an element of the intelligence community may release an employee, in whole or in part, from the obligation to reimburse the United States under an agreement under subparagraph (A) when, in the discretion of the head of the element, the head of the element determines that equity or the interests of the United States so require.

SEC. 803. NATIONAL SECURITY EDUCATION BOARD.

(a) * * *

* * * * *

(d) FUNCTIONS.—The Board shall perform the following functions:

(1) * * *

* * * * *

(4) After taking into account the annual analyses of trends in language, international, area, and counterproliferation studies under section 806(b)(1), make recommendations to the Secretary regarding—

(A) * * *

* * * * *

(E) which foreign languages are critical to the national security interests of the United States for purposes of section 802(a)(1)(D) (relating to grants for the National Flagship Language Initiative) and section 802(a)(1)(E) (relating

to scholarship programs for advanced English language studies by heritage community residents).

* * * * *

SEC. 810. FUNDING.

(a) * * *

* * * * *

(c) *FUNDING FROM INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT FOR FISCAL YEARS BEGINNING WITH FISCAL YEAR 2005.—In addition to amounts that may be made available to the Secretary under the Fund for a fiscal year, the Director of Central Intelligence shall transfer to the Secretary from amounts appropriated for the Intelligence Community Management Account for each fiscal year, beginning with fiscal year 2005, \$8,000,000, to carry out the scholarship, fellowship, and grant programs under subparagraphs (A), (B), and (C), respectively, of section 802(a)(1).*

[SEC. 811. ADDITIONAL ANNUAL AUTHORIZATION OF APPROPRIATIONS.

[(a) IN GENERAL.—In addition to amounts that may be made available to the Secretary under the Fund for a fiscal year, there is authorized to be appropriated to the Secretary for each fiscal year, beginning with fiscal year 2003, \$10,000,000, to carry out the grant program for the National Flagship Language Initiative under section 802(a)(1)(D).

[(b) AVAILABILITY OF APPROPRIATED FUNDS.—Amounts appropriated pursuant to the authorization of appropriations under subsection (a) shall remain available until expended.]

SEC. 811. FUNDING FOR THE NATIONAL FLAGSHIP LANGUAGE INITIATIVE.

(a) *AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 2003 and 2004.—In addition to amounts that may be made available to the Secretary under the Fund for a fiscal year, there is authorized to be appropriated to the Secretary for each fiscal year, beginning with fiscal year 2003, \$10,000,000, to carry out the grant program for the National Flagship Language Initiative under section 802(a)(1)(D).*

(b) *FUNDING FROM INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT FOR FISCAL YEARS BEGINNING WITH FISCAL YEAR 2005.—In addition to amounts that may be made available to the Secretary under the Fund for a fiscal year, the Director of Central Intelligence shall transfer to the Secretary from amounts appropriated for the Intelligence Community Management Account for each fiscal year, beginning with fiscal year 2005, \$12,000,000, to carry out the grant program for the National Flagship Language Initiative under section 802(a)(1)(D).*

(c) *AVAILABILITY OF APPROPRIATED FUNDS.—*Amounts made available under this section shall remain available until expended.

SEC. 812. FUNDING FOR SCHOLARSHIP PROGRAM FOR CERTAIN HERITAGE COMMUNITY RESIDENTS.

(a) *FUNDING FROM INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.—In addition to amounts that may be made available to the Secretary under the Fund for a fiscal year, the Director of Central Intelligence shall transfer to the Secretary from amounts appropriated for the Intelligence Community Management Account for*

each fiscal year, beginning with fiscal year 2005, \$4,000,000, to carry out the scholarship programs for English language studies by certain heritage community residents under section 802(a)(1)(E).

(b) AVAILABILITY OF FUNDS.—Amounts made available under subsection (a) shall remain available until expended.

* * * * *

MINORITY VIEWS

Our unanimous vote against favorably reporting this authorization bill is intended to send an unmistakable message that this bill needs to be stronger—we need stronger intelligence and stronger oversight.

This was a difficult vote. For many of us, it was the first time we had ever voted against an Intelligence Authorization bill. We were compelled to this unprecedented decision by our conviction that we simply cannot afford to shortchange counterterrorism intelligence, fail to fix clearly identified problems with intelligence, and ignore the trend toward less and less effective oversight. Despite our best efforts, this bill fails to address these critical issues.

We hope the Committee will work to include measures to address these concerns and that we will be able to support a stronger bipartisan bill on the house floor.

FULLY FUND INTELLIGENCE

The nation needs an intelligence authorization bill that fully funds the Intelligence Community's requirements to fight the war on terrorism.

The President's budget request covered just a fraction of the Intelligence Community's counterterrorism requirements. For example, it provided just 20% of the CIA's Counterterrorism Center funding requirements.

After repeated bipartisan complaints from this Committee about the lack of adequate funding, the Administration sent down a request for supplemental funds to get through the first quarter of the fiscal year. They say the rest of the funds will be requested only after the November election.

Supplemental funding requests are not new. But what is unprecedented is the degree to which the intelligence agencies have been forced, particularly since September 11, to rely on supplemental funding for core requirements. CIA's Counterterrorism Center—the pointy end of the spear in the Global War on Terrorism—has had to rely on late-in-the-year supplemental requests for 80% of its funding needs.

Members on both sides of the aisle have roundly criticized this growing practice of funding the Intelligence Community in bits and pieces, rather than for a full fiscal year, the way Congress is supposed to do it. Senior intelligence officials have told the Committee that this practice makes it impossible to plan, forcing them to “rob Peter to pay Paul” until the additional funds arrive—potentially jeopardizing key counterterrorism operations.

The nation's intelligence agencies have indicated with some precision the additional amounts they will need this year to fully fund counterterrorism efforts. It is likely that the Intelligence Commu-

nity will not receive the additional funds until well into next year. So the bridge funds in the Chairman's mark are a bridge too short.

Administration officials are on TV every week warning the American public about another attack this summer. We simply could not, in good conscience, go with "business as usual" and vote for a bill that provides less than one-third of what the intelligence community needs to try to stop the next attack.

The amendment offered by Representatives Peterson, Boswell, and Cramer would have funded the counterterrorism needs of the Intelligence Community at the full amount that is needed to fight the war on terrorism. Unfortunately, our amendment was rejected on a party-line vote.

STRENGTHEN OVERSIGHT

The American public expects this Committee not only to make sure the Intelligence Community has the resources it needs to safeguard our nation, but also to conduct rigorous oversight to ensure that the activities the Intelligence Community undertakes on behalf of all Americans are effective and consistent with our national security interests and the rule of law. Unfortunately, just as this bill fails to meet the resource needs, it also fails to address serious oversight problems.

Two oversight issues of particular importance are determining what went wrong with regard to the abuse of detainees and what was the true nature of the U.S. government's relationship with Ahmed Chalabi.

Detainee Abuse

The pictures of abuse at Abu Ghraib prison in Iraq, which were unknown to this committee until their public revelation on 60 Minutes, shocked all Americans. These despicable acts dealt a stunning blow to our military effort in Iraq and to the United States' image abroad, exposed U.S. soldiers and citizens to retribution, and undermined our nation's moral authority around the world. They also opened the door to a growing series of revelations—almost entirely in the public media—about broader issues related to detainee and interrogation policy. These are issues that this Committee must address.

Interrogations are critical to gathering intelligence. They are one way of generating dots that might lead the Intelligence Community to the next terrorist plot. But adhering to the rule of law and the principles that make our country a model to which the Iraqi's and others should aspire are not only essential to winning the battle against terrorism but they are also essential to protecting our own soldiers should they fall into enemy hands.

The abuses of Iraqi detainees at Abu Ghraib were reprehensible. Equally stunning was the executive branch's failure to inform this Committee of the abuses at Abu Ghraib. Members of this Committee were in Baghdad in mid-February, just when Major General Taguba was undertaking his investigation. There was no mention of any problems.

There are numerous other examples of incidents and problems that should have been brought forward to this Committee but never were—until they were revealed in the media. Witnesses have

been asked pointed questions. Members on both sides of the aisle have urged them to be forthcoming. Yet, still we find a shocking lack of candor.

Nor has the Committee received documents from the Administration that are essential to understanding where interrogations may have gone off track, including documents that Defense Department representatives said they would provide.

Representative Reyes offered an amendment that would have fenced 25% of the funds authorized and appropriated for the Central Intelligence Agency Program, the General Defense Intelligence Program, the Joint Military Intelligence Program, and the Army Tactical Intelligence and Related Activities Program until the Committee receives all documents related to the handling and treatment of detainees in Iraq, Afghanistan, Guantanamo Bay, and elsewhere.

The funds this amendment would have fenced were substantial but they would have been fully available to the agencies once they provided the requested documents—all of which are in their possession. It was intended to send a strong signal that this Committee will follow the facts wherever they may lead and that we are tired of being misled.

It is unfortunate that our effort to strengthen oversight was defeated on a party-line vote.

USG Relationship With Ahmed Chalabi

In the case of Ahmed Chalabi, the Committee must find out why the executive branch invested so much political and financial capital in a man with such a checkered past.

The CIA terminated its relationship with him years ago because it found him unreliable. The State Department couldn't account for how he was spending the money it was giving him. The Department of Defense felt compelled to go to extreme lengths to ensure he and the Iraqi National Congress didn't misspend the money it was giving him.

Mr. Chalabi has undermined U.S. national security in a number of ways. For example, there are indications that he and his associates led the Administration to believe the Iraqi people would welcome U.S. soldiers as liberators. There are also strong indications that he or his organization provided false information on Iraq's weapons of mass destruction programs prior to the war.

Members of this Committee have pushed hard for answers to the many questions regarding this man's relationship with our government. Last month, we learned that the government had finally terminated its intelligence relationship with Chalabi's Iraqi National Congress. However, we have yet to receive satisfactory answers to all of our questions. This committee must go to the bottom of this story.

Representative Eshoo offered an amendment that would have prevented the Office of the Undersecretary of Defense for Intelligence from expending any funds until the Secretary of Defense provided a full accounting of all contacts Department of Defense (DoD) personnel and its contractors had with Ahmed Chalabi and Chalabi's associates from January 2001 to May 2004, as well as the

information, sources and documents he and his associates provided to DoD.

It is intended as a strong signal of his Committee's determination to address counterintelligence concerns aggressively. It is unfortunate that our effort to strengthen oversight was defeated on a party-line vote.

TRANSPARENCY

In addition to strengthening oversight, we need to do a better job of informing the American public about the oversight that we conduct. Precisely because so much of our work, and that of the Intelligence Community itself, must be cloaked in secrecy, we should work hard to find ways to open up the process whenever we can do so without jeopardizing classified information. We can begin by marking up the legislative portion of our bill, as this Committee did prior to the mid-90s, in open session.

We do not have secret laws in this country. The legislative provisions in our bill are a matter of public record. They are openly debated on the floor of the House, and there is no legitimate reason for debating and voting on them in a secret session during Committee markup.

This is why we objected to the motion to close the proceedings that was offered at the outset of the markup. Instead, the Ranking Member urged that the Committee not move into closed session until it had completed debate on the public law provisions and turned to the classified portion of the bill. Unfortunately, our effort to keep consideration of the public part of the bill open was defeated along party lines.

In the coming year, we hope that this Committee will work harder to communicate to the public about the work we do here. For example, we should hold more open hearings. The few open hearings held over the past year, on issues such as pre-war intelligence on Iraq, civil liberties, diversity, and language needs, were extremely useful and should be expanded in the coming year.

LANGUAGE TRAINING

We are very pleased that the bill contains legislation improving the support to foreign language programs assisting the Intelligence Committee in its missions. An amendment was offered by Representative Holt that we believe would have strengthened this legislation by providing funding for language training for intelligence officers with scientific, engineering, and technical specialties. We believe this to be particularly important given testimony by the former head of the Iraq Survey Group, Dr. David Kay, that this was a noticeable deficiency in his team. The amendment was defeated on a party-line vote.

TRANSFORM THE INTELLIGENCE COMMITTEE

Unfortunately, this bill is silent on another critical issue, as well: the need to transform intelligence from its Cold War structure and mentality to meet today's challenges. Our oversight activities examining the structure and performance by the Intelligence Community since 9/11, including the extensive investigation of the Joint

House-Senate 9/11 Inquiry and reviews of the Intelligence Community's pre-war intelligence on Iraq, have led the Minority to conclude that a major effort to improve the organization and effectiveness of the Intelligence Community is urgently needed.

The stars are aligned for intelligence reform as never before. Both sides of the aisle on this Committee and on the Senate Select Committee on Intelligence (SSCI) voted in favor of creating a Director of National Intelligence (DNI) after investigating the intelligence failures leading up to 9/11. The SSCI is also likely to urge reform when it issues its report on the intelligence failures on Iraq's weapons of mass destruction. The National Commission on Terrorist Attacks Upon the United States (also known as the 9/11 Commission) is likely to make far-reaching reform recommendations about intelligence reform. The President, too, has stated that intelligence reform needs to be considered.

This authorization bill should not be silent on the urgent need for intelligence transformation. Reform is coming, and this Committee ought to weigh in now and shape the outcome rather than react to events. That is why Representative Harman offered an amendment to make the Intelligence Transformation Act (H.R. 4104), introduced on April 1, 2004, by all nine Democratic members of this Committee, part of this bill.

Members on both sides of the aisle know the problems that must be addressed in the Intelligence Community. The Director of Central Intelligence (DCI) has not been an effective manager of the Community. His time and attention is dominated by the Central Intelligence Agency (CIA). Today's Community is not a "community" but a collection of 15 different agencies each operating independently. These agencies are still not networked together, and cannot collaborate or share data electronically. They work in stovepipes: We have at least three separate strategies for every intelligence problem—one for human intelligence, one for imagery, and one for signals intelligence.

These are the same problems that plagued the military 20 years ago, when it was fighting an Army war, a Navy war, and an Air Force war. In 1986, pushed by Congress in legislation known as "Goldwater-Nichols", the military made a revolutionary change and fixed their stovepipe problem. We need Goldwater-Nichols for the Intelligence Community—integrated teams from all disciplines, under unified command.

An essential cornerstone of successful reform is separating the DCI from CIA—giving the intelligence leader the time, the responsibility, and the accountability for managing the whole community. A DCI tied to the CIA, even with a bigger bureaucracy to run the Community, will still spend too much time running the Directorate of Operations and will never be viewed by the rest of the community as an honest broker—thus the Director is doomed to fail. We need a separate head of the Intelligence Community and we need to give that Intelligence Community leader the structure and authorities the Director needs—without creating a big new bureaucracy or a war with DoD.

H.R. 4104 gives the DNI the authority to tell the intelligence troops what they are going to do each day—just like Central Command (CENTCOM) directs the operation of military troops rather

than the service chiefs. And this tasking authority should be backed up by several measures that strengthen the DCT's ability to move money around during the fiscal year to enforce his directions.

H.R. 4104 also adopts the Goldwater-Nichols formula for requiring joint assignments to break down cultural barriers and improve the quality of the Community staff.

On information sharing, we borrow heavily from the bipartisan Markle Foundation and many other studies that have charted a path for us to network the Community—allowing a virtual reorganization, rather than moving organizations around—and new ways of doing business, as US business has proven.

We remove other barriers to information sharing—currently no agency accepts the clearances of any others, each agency thinks it owns the data it holds, individual agency heads deny access to “outsiders” to protect U.S. persons’ privacy.

We give the DCI powerful new tools to manage the DoD agencies by working jointly with Secretary of Defense—eliminating the agencies’ ability to play one against the other to escape all control.

H.R. 4104 is a solid basis for beginning serious debate in Congress and with the executive branch about intelligence reform, and that is why it was extremely regrettable that our amendment was defeated on a party-line vote.

Given the national security threats that continue to face the United States, we hope the Committee is resolved to undertaking thorough, rigorous and comprehensive consideration on an urgent basis.

We look forward to assessing the recommendations of the 9/11 Commission in this regard, and also to working with the other committees of jurisdiction to address their points of view regarding intelligence reorganization. We believe that, barring unforeseen circumstances, we should be able to agree on a reform package and include it in the conference report. Certainly, the national security of the United States demands our best efforts to do so, and indications are growing that the Congress is unlikely to look favorably upon a well-informed, broadly supported proposal for reform.

CONCLUSION

These minority views, along with additional minority views in the classified annex related to classified programs, were written based on the bill and report language presented to the Members at the time of the Committee markup, since there was no opportunity to review and respond to any changes made after markup but before filing. However, we want to emphasize our strong support for all of the programs and activities funded in this bill that are so essential to effective intelligence collection and analysis. We would be extremely disappointed to see these programs undermined in any way.

JANE HARMAN.
ALCEE L. HASTINGS.
SILVESTRE REYES.
LEONARD L. BOSWELL.
COLLIN C. PETERSON.
ROBERT E. (BUD) CRAMER, Jr.
ANNA G. ESHOO.
RUSH D. HOLT.
C.A. DUTCH RUPPERSBERGER.

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