

**Union Calendar No. 80**

108TH CONGRESS  
1ST SESSION

**H. R. 2417**

**[Report No. 108–163]**

To authorize appropriations for fiscal year 2004 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.

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**IN THE HOUSE OF REPRESENTATIVES**

**JUNE 11, 2003**

Mr. GOSS introduced the following bill; which was referred to the Select Committee on Intelligence (Permanent Select)

**JUNE 18, 2003**

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on **June 11, 2003**]

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**A BILL**

To authorize appropriations for fiscal year 2004 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.

1        *Be it enacted by the Senate and House of Representa-*  
 2        *tives of the United States of America in Congress assembled,*

3        **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4        (a) *SHORT TITLE.*—*This Act may be cited as the “In-*  
 5        *telligence Authorization Act for Fiscal Year 2004”.*

6        (b) *TABLE OF CONTENTS.*—*The table of contents for*  
 7        *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.*

*Sec. 105. Intelligence elements of the Department of the Treasury.*

**TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND  
DISABILITY SYSTEM**

*Sec. 201. Authorization of appropriations.*

**TITLE III—GENERAL PROVISIONS**

**Subtitle A—Recurring General Provisions**

*Sec. 301. Increase in employee compensation and benefits authorized by law.*

*Sec. 302. Restriction on conduct of intelligence activities.*

**Subtitle B—Intelligence**

*Sec. 311. Modification of notice and wait requirements on projects to construct  
or improve intelligence community facilities.*

**Subtitle C—Counterintelligence**

*Sec. 321. Counterintelligence initiatives for the intelligence community.*

**Subtitle D—Other Matters**

*Sec. 331. Extension of suspension of reorganization of Diplomatic Telecommuni-  
cations Service Program Office.*

*Sec. 332. Modifications of authorities on explosive materials.*

*Sec. 333. Modification of prohibition on the naturalization of certain persons.*

*Sec. 334. Modification to definition of financial institution in the Right to Fi-  
nancial Privacy Act.*

*Sec. 335. Procedural requirements for Central Intelligence Agency relating to  
products of Federal prison industries.*

*Sec. 336. Improvement of information sharing among federal, State, and local  
government officials.*

*Subtitle E—Reports and Technical Amendments*

*Sec. 341. Extension of deadline for final report of the National Commission for the Review of the Research and Development Programs of the United States Intelligence Community.*

*Sec. 342. Modification of various reports required of intelligence community elements.*

*Sec. 343. Technical amendments.*

*Sec. 344. Report on lessons learned from military operations in Iraq.*

*TITLE IV—CENTRAL INTELLIGENCE AGENCY*

*Sec. 401. Protection from tort liability for certain Central Intelligence Agency personnel.*

*Sec. 402. Repeal of limitation on use of funds in Central Services Working Capital Fund.*

*TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS*

*Sec. 501. Use of funds for counterdrug and counterterrorism activities for Colombia.*

*Sec. 502. Authority to provide living quarters for certain students in cooperative and summer education programs of the National Security Agency.*

*Sec. 503. Authority for intelligence community elements of Department of Defense to award personal service contracts.*

*Sec. 504. Protection of certain National Security Agency personnel from tort liability.*

*Sec. 505. Measurement and signatures intelligence program.*

**TITLE I—INTELLIGENCE  
ACTIVITIES**

**SEC. 101. AUTHORIZATION OF APPROPRIATIONS.**

*Funds are hereby authorized to be appropriated for fiscal year 2004 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 National Reconnaissance Office.*

1           (6) *The National Imagery and Mapping Agency.*

2           (7) *The Department of the Army, the Depart-*  
 3       *ment of the Navy, and the Department of the Air*  
 4       *Force.*

5           (8) *The Department of State.*

6           (9) *The Department of the Treasury.*

7           (10) *The Department of Energy.*

8           (11) *The Department of Justice.*

9           (12) *The Federal Bureau of Investigation.*

10          (13) *The Department of Homeland Security.*

11          (14) *The Coast Guard.*

12   **SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.**

13       (a) *SPECIFICATIONS OF AMOUNTS AND PERSONNEL*  
 14   *CEILINGS.—The amounts authorized to be appropriated*  
 15   *under section 101, and the authorized personnel ceilings as*  
 16   *of September 30, 2004, for the conduct of the intelligence*  
 17   *and intelligence-related activities of the elements listed in*  
 18   *such section, are those specified in the classified Schedule*  
 19   *of Authorizations prepared to accompany the bill*  
 20   *H.R. 2417 of the One Hundred Eighth Congress.*

21       (b) *AVAILABILITY OF CLASSIFIED SCHEDULE OF AU-*  
 22   *THORIZATIONS.—The Schedule of Authorizations shall be*  
 23   *made available to the Committees on Appropriations of the*  
 24   *Senate and House of Representatives and to the President.*  
 25   *The President shall provide for suitable distribution of the*

1 *Schedule, or of appropriate portions of the Schedule, within*  
2 *the executive branch.*

3 **SEC. 103. PERSONNEL CEILING ADJUSTMENTS.**

4       (a) *AUTHORITY FOR ADJUSTMENTS.*—*With the ap-*  
5 *proval of the Director of the Office of Management and*  
6 *Budget, the Director of Central Intelligence may authorize*  
7 *employment of civilian personnel in excess of the number*  
8 *authorized for fiscal year 2004 under section 102 when the*  
9 *Director of Central Intelligence determines that such action*  
10 *is necessary to the performance of important intelligence*  
11 *functions, except that the number of personnel employed in*  
12 *excess of the number authorized under such section may not,*  
13 *for any element of the intelligence community, exceed 2 per-*  
14 *cent of the number of civilian personnel authorized under*  
15 *such section for such element.*

16       (b) *NOTICE TO INTELLIGENCE COMMITTEES.*—*The Di-*  
17 *rector of Central Intelligence shall notify promptly the Per-*  
18 *manent Select Committee on Intelligence of the House of*  
19 *Representatives and the Select Committee on Intelligence of*  
20 *the Senate whenever the Director exercises the authority*  
21 *granted by this section.*

22 **SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT AC-**  
23 **COUNT.**

24       (a) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*  
25 *authorized to be appropriated for the Intelligence Commu-*

1 *nity Management Account of the Director of Central Intel-*  
 2 *ligence for fiscal year 2004 the sum of \$192,640,000. Within*  
 3 *such amount, funds identified in the classified Schedule of*  
 4 *Authorizations referred to in section 102(a) for the Ad-*  
 5 *vanced Research and Development Committee shall remain*  
 6 *available until September 30, 2005.*

7       **(b) AUTHORIZED PERSONNEL LEVELS.**—*The elements*  
 8 *within the Intelligence Community Management Account of*  
 9 *the Director of Central Intelligence are authorized 320 full-*  
 10 *time personnel as of September 30, 2004. Personnel serving*  
 11 *in such elements may be permanent employees of the Intel-*  
 12 *ligence Community Management Account or personnel de-*  
 13 *tailed from other elements of the United States Government.*

14       **(c) CLASSIFIED AUTHORIZATIONS.**—

15           **(1) AUTHORIZATION OF APPROPRIATIONS.**—*In*  
 16 *addition to amounts authorized to be appropriated*  
 17 *for the Intelligence Community Management Account*  
 18 *by subsection (a), there are also authorized to be ap-*  
 19 *propriated for the Intelligence Community Manage-*  
 20 *ment Account for fiscal year 2004 such additional*  
 21 *amounts as are specified in the classified Schedule of*  
 22 *Authorizations referred to in section 102(a). Such ad-*  
 23 *ditional amounts shall remain available until Sep-*  
 24 *tember 30, 2004.*

1           (2) *AUTHORIZATION OF PERSONNEL.*—*In addi-*  
2           *tion to the personnel authorized by subsection (b) for*  
3           *elements of the Intelligence Community Management*  
4           *Account as of September 30, 2004, there are hereby*  
5           *authorized such additional personnel for such ele-*  
6           *ments as of that date as are specified in the classified*  
7           *Schedule of Authorizations.*

8           (d) *REIMBURSEMENT.*—*Except as provided in section*  
9           *113 of the National Security Act of 1947 (50 U.S.C. 404h),*  
10          *during fiscal year 2004 any officer or employee of the*  
11          *United States or a member of the Armed Forces who is de-*  
12          *tailed to the staff of the Intelligence Community Manage-*  
13          *ment Account from another element of the United States*  
14          *Government shall be detailed on a reimbursable basis, ex-*  
15          *cept that any such officer, employee, or member may be de-*  
16          *tailed on a nonreimbursable basis for a period of less than*  
17          *one year for the performance of temporary functions as re-*  
18          *quired by the Director of Central Intelligence.*

19          (e) *NATIONAL DRUG INTELLIGENCE CENTER.*—

20               (1) *IN GENERAL.*—*Of the amount authorized to*  
21               *be appropriated in subsection (a), \$34,248,000 shall*  
22               *be available for the National Drug Intelligence Cen-*  
23               *ter. Within such amount, funds provided for research,*  
24               *development, testing, and evaluation purposes shall*  
25               *remain available until September 30, 2005, and funds*

(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.

9                   (3) *LIMITATION.*—Amounts available for the Na-  
10                   tional Drug Intelligence Center may not be used in  
11                   contravention of the provisions of section 103(d)(1) of  
12                   the National Security Act of 1947 (50 U.S.C. 403-  
13                   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.

18 *SEC. 105. INTELLIGENCE ELEMENTS OF THE DEPARTMENT*  
19 *OF THE TREASURY.*

20 (a) *IN GENERAL.*—(1) *Title I of the National Security*  
21 *Act of 1947 (50 U.S.C. 402 et seq.) is amended by adding*  
22 *at the end the following new section:*

23 “BUREAU OF INTELLIGENCE AND ENFORCEMENT OF THE  
24 DEPARTMENT OF THE TREASURY

25       “SEC. 119. (a) IN GENERAL.—There is within the De-  
26   partment of the Treasury a Bureau of Intelligence and En-



1 *forcement headed by an Assistant Secretary for Intelligence*  
 2 *and Enforcement, who shall be appointed by the President,*  
 3 *by and with the advice and consent of the Senate.*

4 “(b) *RESPONSIBILITIES.—(1) The Assistant Secretary*  
 5 *for Intelligence and Enforcement shall oversee and coordi-*  
 6 *nate functions of the Bureau of Intelligence and Enforce-*  
 7 *ment.*

8 “(2) *The Assistant Secretary shall report directly to*  
 9 *the Secretary of the Treasury.*

10 “(c) *COMPOSITION OF BUREAU.—The Bureau of Intel-*  
 11 *ligence and Enforcement shall consist of the following of-*  
 12 *fices:*

13 “(1) *The Office of Intelligence Support.*

14 “(2) *The Office of Foreign Assets Control.*

15 “(3) *The Financial Crimes Enforcement Net-*  
 16 *work.*

17 “(4) *Such other offices as the Assistant Secretary*  
 18 *may establish.”.*

19 (2) *The table of contents contained in the first section*  
 20 *of such Act is amended by inserting after the item relating*  
 21 *to section 118 the following new item:*

“Sec. 119. *Bureau of Intelligence and Enforcement of the Department of the Treasury.*”.

22 (b) *CONSULTATION WITH DCI IN APPOINTMENT OF AS-*  
 23 *SISTANT SECRETARY FOR INTELLIGENCE AND ENFORCE-*  
 24 *MENT.—Section 106(b)(2) of such Act (50 U.S.C. 403–*

1 6(b)(2)) is amended by adding at the end the following new  
2 subparagraph:

3 “(E) *The Assistant Secretary for Intelligence and*  
4 *Enforcement.*”.

5 (c) *CONFORMING AMENDMENTS.*—(1) *Section 3(4) of*  
6 *such Act (50 U.S.C. 401a(4)) is amended—*

7 (A) *by striking “the Department of the Treas-*  
8 *ury,” in subparagraph (H);*

9 (B) *by striking “and” at the end of subpara-*  
10 *graph (J);*

11 (C) *by redesignating subparagraph (K) as sub-*  
12 *paragraph (L); and*

13 (D) *by inserting after subparagraph (J) the fol-*  
14 *lowing new subparagraph:*

15 “(K) *the Bureau of Intelligence and En-*  
16 *forcement of the Department of the Treasury;*  
17 *and*”.

18 (2) *Section 5315 of title 5, United States Code, is*  
19 *amended in the item relating to Assistant Secretaries of the*  
20 *Treasury by striking “(7)” and inserting “(8)”.*

1 **TITLE II—CENTRAL INTEL-**  
2 **LIGENCE AGENCY RETIRE-**  
3 **MENT AND DISABILITY SYS-**  
4 **TEM**

5 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

6 *There is authorized to be appropriated for the Central*  
7 *Intelligence Agency Retirement and Disability Fund for fis-*  
8 *cal year 2004 the sum of \$226,400,000.*

9 **TITLE III—GENERAL**  
10 **PROVISIONS**  
11 **Subtitle A—Recurring General**  
12 **Provisions**

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

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

20 **SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE**  
21 **ACTIVITIES.**

22 *The authorization of appropriations by this Act shall*  
23 *not be deemed to constitute authority for the conduct of any*  
24 *intelligence activity which is not otherwise permitted under*

1 *the Constitution or authorized pursuant to the laws of the*  
 2 *United States.*

3 ***Subtitle B—Intelligence***

4 ***SEC. 311. MODIFICATION OF NOTICE AND WAIT REQUIRE-***  
 5 ***MENTS ON PROJECTS TO CONSTRUCT OR IM-***  
 6 ***PROVE INTELLIGENCE COMMUNITY FACILI-***  
 7 ***TIES.***

8 *(a) INCREASE OF THRESHOLDS FOR NOTICE.—Section*  
 9 *602(a) of the Intelligence Authorization Act for Fiscal Year*  
 10 *1995 (Public Law 103–359; 108 Stat. 3432; 50 U.S.C. 403–*  
 11 *2b(a)) is amended—*

12 *(1) by striking “\$750,000” each place it appears*  
 13 *and inserting “\$5,000,000”;*

14 *(2) by striking “\$500,000” each place it appears*  
 15 *and inserting “\$1,000,000”; and*

16 *(3) in paragraph (2), as amended by paragraph*  
 17 *(2) of this subsection, by inserting after “\$1,000,000”*  
 18 *the second place it appears, the following: “but less*  
 19 *than \$5,000,000”.*

20 *(b) NOTICE AND WAIT REQUIREMENTS FOR EMER-*  
 21 *GENCY PROJECTS.—Section 602(b)(2) of the Intelligence*  
 22 *Authorization Act for Fiscal Year 1995 (Public Law 103–*  
 23 *359; 108 Stat. 3432; 50 U.S.C. 403–2b(b)(2)) is amended—*

24 *(1) in the third sentence, by striking “21-day”*  
 25 *and inserting “7-day”; and,*

1           (2) *by adding at the end the following new sen-*  
 2           *tence: “Notwithstanding the preceding provisions of*  
 3           *this paragraph, when the Director of Central Intel-*  
 4           *ligence and Secretary of Defense jointly determine*  
 5           *that an emergency relating to the national security or*  
 6           *to the protection of health, safety, or environmental*  
 7           *quality exists and that delay would irreparably harm*  
 8           *any or all of those interests, the project may begin on*  
 9           *the date the notification is received by such commit-*  
 10          *tees.”.*

## 11       ***Subtitle C—Counterintelligence***

### 12   ***SEC. 321. COUNTERINTELLIGENCE INITIATIVES FOR THE*** 13       ***INTELLIGENCE COMMUNITY.***

14       (a) *IN GENERAL.*—(1) *Title XI of the National Secu-*  
 15       *rity Act of 1947 (50 U.S.C. 401 et seq.) is amended by add-*  
 16       *ing at the end the following new section:*

17               “*COUNTERINTELLIGENCE INITIATIVES*

18       “*SEC. 1102. (a) INSPECTION PROCESS.*—(1) *In order*  
 19       *to protect intelligence sources and methods from unauthor-*  
 20       *ized disclosure, the Director of Central Intelligence shall es-*  
 21       *tablish and implement an inspection process for all agencies*  
 22       *and departments of the United States that handle classified*  
 23       *information relating to the national security of the United*  
 24       *States intended to assure that those agencies and depart-*  
 25       *ments maintain effective operational security practices and*  
 26       *programs directed against counterintelligence activities.*

1       “(2) *The Director shall carry out the process through*  
2 *the Office of the National Counterintelligence Executive.*

3       “(b) *FBI COUNTERINTELLIGENCE OFFICE.—The At-*  
4 *torney General, acting through the Director of the Federal*  
5 *Bureau of Investigation, shall establish an Office of Coun-*  
6 *terintelligence within the Bureau to investigate potential es-*  
7 *pionage activities within the Bureau.*

8       “(c) *ANNUAL REVIEW OF DISSEMINATION LISTS.—(1)*  
9 *The Director of Central Intelligence shall establish and im-*  
10 *plement a process for all elements of the intelligence commu-*  
11 *nity (as defined in section 101(4)) to review, on an annual*  
12 *basis, individuals included on distribution lists for access*  
13 *to classified information. Such process shall ensure that*  
14 *only individuals who have a particularized ‘need to know’*  
15 *(as determined by the Director) are continued on such dis-*  
16 *tribution lists.*

17       “(2) *Not later than October 15 of each year, the Direc-*  
18 *tor shall certify to the congressional intelligence committees*  
19 *that the review required under paragraph (1) has been con-*  
20 *ducted in all elements of the intelligence community during*  
21 *the preceding fiscal year.*

22       “(d) *REQUIRED COMPLETION OF FINANCIAL DISCLO-*  
23 *SURE STATEMENTS.—(1) The Director of Central Intel-*  
24 *ligence shall establish and implement a process by which*  
25 *heads of the elements of the intelligence community (as de-*

1 *fined in section 101(4)) direct that all employees, in order*  
 2 *to be granted access to classified information, submit finan-*  
 3 *cial disclosure forms required under section 1.3(b) of Execu-*  
 4 *tive Order No. 12969 (August 2, 1995; 60 F.R. 40245; 50*  
 5 *U.S.C. 435 note).*

6 “(2) *The Director shall carry out paragraph (1)*  
 7 *through the Office of the National Counterintelligence Exec-*  
 8 *utive.*

9 “(e) *ARRANGEMENTS TO HANDLE SENSITIVE INFOR-*  
 10 *MATION.—The Director of Central Intelligence shall estab-*  
 11 *lish, for all elements of the intelligence community (as de-*  
 12 *fined in section 101(4)), programs and procedures by which*  
 13 *sensitive classified information relating to human intel-*  
 14 *ligence is safeguarded against unauthorized disclosure by*  
 15 *employees of those elements.”.*

16 (2) *The table of contents contained in the first section*  
 17 *of such Act is amended in the items relating to title XI*  
 18 *by adding at the end the following new item:*

“Sec. 1102. *Counterintelligence initiatives.*”.

19 (b) *INTELLIGENCE AND NATIONAL SECURITY ASPECTS*  
 20 *OF ESPIONAGE PROSECUTIONS.—The Attorney General,*  
 21 *acting through the Office of Intelligence Policy and Review*  
 22 *of the Department of Justice, in consultation with the Office*  
 23 *of the National Counterintelligence Executive, shall estab-*  
 24 *lish policies and procedures to assist the Attorney General*  
 25 *in the Attorney General’s consideration of intelligence and*

1 *national security equities in the development of charging*  
 2 *documents and related pleadings in espionage prosecutions.*

3 ***Subtitle D—Other Matters***

4 ***SEC. 331. EXTENSION OF SUSPENSION OF REORGANIZA-***  
 5 ***TION OF DIPLOMATIC TELECOMMUNI-***  
 6 ***CATIONS SERVICE PROGRAM OFFICE.***

7 *Section 311 of the Intelligence Authorization Act for*  
 8 *Fiscal Year 2002 (Public Law 107–108; 115 Stat. 1401;*  
 9 *22 U.S.C. 7301 note), as amended by section 351 of the*  
 10 *Intelligence Authorization Act for Fiscal Year 2003 (Public*  
 11 *Law 107–306; 116 Stat. 2401; 22 U.S.C. 7301 note), is*  
 12 *amended—*

13 *(1) in the heading, by striking “**TWO-YEAR**” be-*  
 14 *fore “**SUSPENSION OF REORGANIZATION**”; and*

15 *(2) in the text, by striking “ending on October*  
 16 *1, 2003” and inserting “ending on the date that is 60*  
 17 *days after the date on which appropriate congres-*  
 18 *sional committees of jurisdiction (as defined in sec-*  
 19 *tion 324(d) of that Act (22 U.S.C. 7304(d)) are noti-*  
 20 *fied jointly by the Secretary of State (or the Sec-*  
 21 *retary’s designee) and the Director of the Office of*  
 22 *Management and Budget (or the Director’s designee)*  
 23 *that the operational framework for the office has been*  
 24 *terminated”.*



1 **SEC. 332. MODIFICATIONS OF AUTHORITIES ON EXPLOSIVE**  
2 **MATERIALS.**

3 (a) *AUTHORITY TO DISTRIBUTE EXPLOSIVE MATE-*  
4 *RIALS TO QUALIFIED ALIENS.*—Notwithstanding any other  
5 *provision of law, it shall be lawful for any person know-*  
6 *ingly to distribute explosive materials to any qualified*  
7 *alien—*

8 (1) *if, in the case of a qualified alien described*  
9 *in subsection (c)(1), the distribution to, shipment to,*  
10 *transportation to, receipt by, or possession by the*  
11 *alien of the explosive materials is in furtherance of*  
12 *such cooperation; or*

13 (2) *if, in the case of a qualified alien described*  
14 *in subsection (c)(2), the distribution to, shipping to,*  
15 *transporting to, possession by, or receipt by the alien*  
16 *of explosive materials is in furtherance of the author-*  
17 *ized military purpose.*

18 (b) *AUTHORITY FOR QUALIFIED ALIENS TO SHIP EX-*  
19 *PLOSIVE MATERIALS.*—Notwithstanding any other provi-  
20 *sion of law, it shall be lawful for a qualified alien to ship*  
21 *or transport any explosive in or affecting interstate or for-*  
22 *eign commerce or to receive or possess any explosive which*  
23 *has been shipped or transported in or affecting interstate*  
24 *or foreign commerce—*

25 (1) *if, in the case of a qualified alien described*  
26 *in subsection (c)(1), the possession, shipment, or*

1       *transportation by the alien of the explosive materials*  
 2       *is in furtherance of such cooperation; or*

3               *(2) if, in the case of a qualified alien described*  
 4       *in subsection (c)(2), the possession, shipment, or*  
 5       *transportation by the alien of explosive materials is*  
 6       *in furtherance of the authorized military purpose.*

7       *(c) QUALIFIED ALIEN DEFINED.—In this section, the*  
 8       *term “qualified alien” means an alien—*

9               *(1) who is lawfully present in the United States*  
 10       *in cooperation with the Director of Central Intel-*  
 11       *ligence; or*

12               *(2) who is a member of a North Atlantic Treaty*  
 13       *Organization (NATO), or other friendly foreign mili-*  
 14       *tary force (as determined by the Attorney General*  
 15       *with the concurrence of the Secretary of Defense) who*  
 16       *is present in the United States under military orders*  
 17       *for training or other military purpose authorized by*  
 18       *the United States.*

19       **SEC. 333. MODIFICATION OF PROHIBITION ON THE NATU-**  
 20               **RALIZATION OF CERTAIN PERSONS.**

21       *Section 313(e)(4) of the Immigration and Nationality*  
 22       *Act (8 U.S.C. 1424(e)(4)) is amended—*

23               *(1) by inserting “when Department of Defense*  
 24       *activities are relevant to the determination” after*  
 25       *“Secretary of Defense”; and*

1           (2) by inserting “and the Secretary of Homeland  
2       Security” after “Attorney General”.

3       **SEC. 334. MODIFICATION TO DEFINITION OF FINANCIAL IN-**  
4                               **STITUTION IN THE RIGHT TO FINANCIAL PRI-**  
5                               **VACY ACT.**

6           (a) *IN GENERAL.*—Section 1101(1) of the Right to Fi-  
7       nancial Privacy Act of 1978 (12 U.S.C. 3401(1)) is amend-  
8       ed by inserting “, except as provided in section 1114,” be-  
9       fore “means any office”.

10          (b) *DEFINITION.*—Section 1114 of such Act (12 U.S.C.  
11       3414) is amended by adding at the end the following:

12           “(c) For purposes of this section, the term ‘financial  
13       institution’ has the same meaning as in section 5312(a)(2)  
14       of title 31, United States Code, except that, for purposes  
15       of this section, such term shall include only such a financial  
16       institution any part of which is located inside any State  
17       or territory of the United States, the District of Columbia,  
18       Puerto Rico, Guam, American Samoa, or the United States  
19       Virgin Islands.”.

20       **SEC. 335. PROCEDURAL REQUIREMENTS FOR CENTRAL IN-**  
21                               **TELLIGENCE AGENCY RELATING TO PROD-**  
22                               **UCTS OF FEDERAL PRISON INDUSTRIES.**

23           The Central Intelligence Agency Act of 1949 (50 U.S.C.  
24       403a et seq.) is amended by adding at the end the following  
25       new section:

1 *“PROCEDURAL REQUIREMENTS FOR CENTRAL INTEL-*  
2 *LIGENCE AGENCY RELATING TO PRODUCTS OF FED-*  
3 *ERAL PRISON INDUSTRIES*

4 *“SEC. 23. (a) MARKET RESEARCH.—Before pur-*  
5 *chasing a product listed in the latest edition of the Federal*  
6 *Prison Industries catalog under section 4124(d) of title 18,*  
7 *United States Code, the Director shall conduct market re-*  
8 *search to determine whether the Federal Prison Industries*  
9 *product is comparable to products available from the pri-*  
10 *vate sector that best meet the Agency’s needs in terms of*  
11 *price, quality, and time of delivery.*

12 *“(b) COMPETITION REQUIREMENT.—If the Director*  
13 *determines that a Federal Prison Industries product is not*  
14 *comparable in price, quality, or time of delivery to products*  
15 *available from the private sector that best meet the Agency’s*  
16 *needs in terms of price, quality, and time of delivery, the*  
17 *Director shall use competitive procedures for the procure-*  
18 *ment of the product or shall make an individual purchase*  
19 *under a multiple award contract. In conducting such a*  
20 *competition or making such a purchase, the Director shall*  
21 *consider a timely offer from Federal Prison Industries.*

22 *“(c) IMPLEMENTATION BY DIRECTOR.—The Director*  
23 *shall ensure that—*

24 *“(1) the Agency does not purchase a Federal*  
25 *Prison Industries product or service unless a con-*

1        *tracting officer of the Agency determines that the*  
2        *product or service is comparable to products or serv-*  
3        *ices available from the private sector that best meet*  
4        *the Agency's needs in terms of price, quality, and*  
5        *time of delivery; and*

6                *“(2) Federal Prison Industries performs its con-*  
7        *tractual obligations to the same extent as any other*  
8        *contractor for the Agency.*

9                *“(d) MARKET RESEARCH DETERMINATION NOT SUB-*  
10       *JECT TO REVIEW.—A determination by a contracting offi-*  
11       *cer regarding whether a product or service offered by Fed-*  
12       *eral Prison Industries is comparable to products or services*  
13       *available from the private sector that best meet the Agency's*  
14       *needs in terms of price, quality, and time of delivery shall*  
15       *not be subject to review pursuant to section 4124(b) of title*  
16       *18.*

17                *“(e) PERFORMANCE AS A SUBCONTRACTOR.—(1) A*  
18       *contractor or potential contractor of the Agency may not*  
19       *be required to use Federal Prison Industries as a subcon-*  
20       *tractor or supplier of products or provider of services for*  
21       *the performance of a contract of the Agency by any means,*  
22       *including means such as—*

23                *“(A) a contract solicitation provision requiring*  
24       *a contractor to offer to make use of products or serv-*

1        *ices of Federal Prison Industries in the performance*  
 2        *of the contract;*

3                *“(B) a contract specification requiring the con-*  
 4        *tractor to use specific products or services (or classes*  
 5        *of products or services) offered by Federal Prison In-*  
 6        *dustries in the performance of the contract; or*

7                *“(C) any contract modification directing the use*  
 8        *of products or services of Federal Prison Industries in*  
 9        *the performance of the contract.*

10        *“(2) In this subsection, the term ‘contractor’, with re-*  
 11        *spect to a contract, includes a subcontractor at any tier*  
 12        *under the contract.*

13        *“(f) PROTECTION OF CLASSIFIED AND SENSITIVE IN-*  
 14        *FORMATION.—The Director may not enter into any contract*  
 15        *with Federal Prison Industries under which an inmate*  
 16        *worker would have access to—*

17                *“(1) any data that is classified;*

18                *“(2) any geographic data regarding the location*  
 19        *of—*

20                *“(A) surface and subsurface infrastructure*  
 21        *providing communications or water or electrical*  
 22        *power distribution;*

23                *“(B) pipelines for the distribution of nat-*  
 24        *ural gas, bulk petroleum products, or other com-*  
 25        *modities; or*

1                   “(C) *other utilities; or*

2                   “(3) *any personal or financial information*  
 3                   *about any individual private citizen, including infor-*  
 4                   *mation relating to such person’s real property how-*  
 5                   *ever described, without the prior consent of the indi-*  
 6                   *vidual.*

7                   “(g) *APPLICATION OF PROVISION.—This section is sub-*  
 8                   *ject to the preceding provisions of this Act, and shall not*  
 9                   *be construed as affecting any right or duty of the Director*  
 10                   *under those provisions.*

11                   “(h) *DEFINITIONS.—In this section:*

12                   “(1) *The terms ‘competitive procedures’ and*  
 13                   *‘procurement’ have the meanings given such terms in*  
 14                   *section 4 of the Office of Federal Procurement Policy*  
 15                   *Act (41 U.S.C. 403).*

16                   “(2) *The term ‘market research’ means obtaining*  
 17                   *specific information about the price, quality, and*  
 18                   *time of delivery of products available in the private*  
 19                   *sector through a variety of means, which may in-*  
 20                   *clude—*

21                   “(A) *contacting knowledgeable individuals*  
 22                   *in government and industry;*

23                   “(B) *interactive communication among in-*  
 24                   *dustry, acquisition personnel, and customers;*  
 25                   *and*

1                   “(C) interchange meetings or pre-solicita-  
2                   tion conferences with potential offerors.”.

3 **SEC. 336. IMPROVEMENT OF INFORMATION SHARING**  
4                   **AMONG FEDERAL, STATE, AND LOCAL GOV-**  
5                   **ERNMENT OFFICIALS.**

6           (a) *PILOT PROJECT TO ENCOURAGE STATE AND*  
7 *LOCAL OFFICIALS, AS WELL AS REPRESENTATIVES OF*  
8 *CRITICAL INFRASTRUCTURE, TO COLLECT AND SHARE*  
9 *RELEVANT INFORMATION.*—Section 892(c) of the Homeland  
10 *Security Act of 2002 (Public Law 107–296; 6 U.S.C. 482)*  
11 *is amended by adding at the end the following new para-*  
12 *graph:*

13                   “(3)(A) *The Under Secretary for Information*  
14 *Analysis and Infrastructure Protection of the Depart-*  
15 *ment of Homeland Security, in consultation with the*  
16 *Director of Central Intelligence, may conduct projects*  
17 *in several cities to encourage officials of State and*  
18 *local government, as well as representatives of indus-*  
19 *tries that comprise the critical infrastructure in those*  
20 *cities to lawfully collect and to pass on to the appro-*  
21 *priate Federal officials information vital for the pre-*  
22 *vention of terrorist attacks against the United States.*

23                   “(B) *The Director of Central Intelligence shall*  
24 *carry out any duty under this paragraph through the*  
25 *Director of the Terrorist Threat Integration Center.*



1           “(C) Under the projects, training shall be pro-  
2       vided to such officials and representatives to—

3           “(i) identify sources of potential threats  
4       through such methods as the Secretary deter-  
5       mines appropriate;

6           “(ii) report information relating to such po-  
7       tential threats to the appropriate Federal agen-  
8       cies in the appropriate form and manner; and

9           “(iii) assure that all reported information  
10      is systematically submitted to and passed on by  
11      the Department for use by appropriate Federal  
12      agencies.

13          “(D) The Under Secretary shall carry out the  
14      pilot project under this paragraph for a period of 3  
15      years.

16          “(E) Not later than 1 year after the implementa-  
17      tion of the pilot project, and annually thereafter, the  
18      Under Secretary shall submit to Congress a report on  
19      the pilot project conducted under this paragraph.  
20      Each such report shall include—

21           “(i) an assessment of the effectiveness of the  
22      project; and

23           “(ii) recommendations on the continuation  
24      of the project as well as any recommendations to  
25      improve the effectiveness of information collec-

1            *tion and sharing by such officials and represent-*  
 2            *atives and the Federal government.”.*

3            *(b) PILOT PROJECT TO TEST USE OF TEAR-LINE IN-*  
 4            *TELLIGENCE REPORTS.—(1) Subtitle C of title II of the*  
 5            *Homeland Security Act of 2002 (Public Law 107–296) is*  
 6            *amended by adding at the end the following new section:*  
 7            **“SEC. 226. PILOT PROJECT TO TEST USE OF TEAR-LINE IN-**  
 8            **TELLIGENCE REPORTS.**

9            *“(a) AUTHORITY.—The Under Secretary for Informa-*  
 10           *tion Analysis and Infrastructure Protection of the Depart-*  
 11           *ment of Homeland Security, in consultation with the Direc-*  
 12           *tor of Central Intelligence, may carry out a pilot program*  
 13           *under which the Under Secretary may make intelligence in-*  
 14           *formation in the possession of the Department available to*  
 15           *officials of State and local governments through the use of*  
 16           *tear-line intelligence reports.*

17           *“(b) TEAR-LINE INTELLIGENCE REPORTS DE-*  
 18           *SCRIBED.—For purpose of this section, a tear-line report*  
 19           *is a report containing intelligence gathered by an agency*  
 20           *or department of the United States that is in the possession*  
 21           *of the Department that is prepared in a manner such that*  
 22           *information relating to intelligence sources and methods is*  
 23           *easily severable from the report to protect such sources and*  
 24           *methods from disclosure. Such a report may be in a paper*  
 25           *or an electronic format.*

1       “(c) *DURATION OF PROJECT.*—*The Under Secretary*  
 2 *shall carry out the pilot project under this section for a*  
 3 *period of 3 years.*

4       “(d) *REPORTS TO CONGRESS.*—*Not later than 1 year*  
 5 *after the implementation of the pilot project, and annually*  
 6 *thereafter, the Under Secretary shall submit to Congress a*  
 7 *report on the pilot project conducted under this section, and*  
 8 *shall include in the report an assessment of—*

9               “(1) *the effectiveness of the use of the tear-line re-*  
 10 *ports in providing intelligence information on a time-*  
 11 *ly basis to State and local authorities; and*

12              “(2) *if the use of such tear-line reports were to*  
 13 *be made permanent, whether additional safeguards*  
 14 *are needed with respect to the use of such reports.*

15       “(e) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*  
 16 *authorized to be appropriated to the Under Secretary such*  
 17 *sums as may be necessary to carry out this section.”.*

18       (2) *The table of contents in section 1(b) of such Act*  
 19 *is amended in subtitle C of title II by adding at the end*  
 20 *the following new item.*

“Sec. 226. *Pilot project to test use of tear-line intelligence reports.*”.

21       (c) *HOMELAND DEFENDER INTELLIGENCE TRAINING*  
 22 *PROGRAM.*

23              (1) *ESTABLISHMENT OF PROGRAM.*—*The Direc-*  
 24 *tor of Central Intelligence may establish a comprehen-*  
 25 *sive program of orientation and training to qualified*

1     *State and local officials in accessing and using avail-*  
2     *able resources of the intelligence community (as de-*  
3     *finied in section 3(4) of the National Security Act of*  
4     *1947 (50 U.S.C. 401(4))).*

5             (2) *CONSULTATION.*—*Insofar as the Director es-*  
6     *tablishes the intelligence training program under*  
7     *paragraph (1), the Director shall consult and coordi-*  
8     *nate with the director of the Federal Bureau of Inves-*  
9     *tigation and the Secretary of Homeland Security on*  
10    *the development and administration of the program.*

11            (3) *PROGRAM GOALS.*—*Any intelligence training*  
12    *program established under paragraph (1) shall pro-*  
13    *vide qualified State and local officials instruction on*  
14    *the mission and roles of the intelligence community to*  
15    *promote more effective information sharing among*  
16    *Federal, State, and local officials to prevent terrorist*  
17    *attacks against the United States.*

18            (4) *CURRICULUM.*—*Insofar as the Director estab-*  
19    *lishes the intelligence training program under para-*  
20    *graph (1), the Director shall develop a curriculum for*  
21    *the program after consultation with qualified State*  
22    *and local officials. The curriculum shall include class-*  
23    *room instruction with respect to and orientation to*  
24    *the various elements of the intelligence community.*

1           (5) *REPORTS TO CONGRESS.*—Not later than 1  
2           year after the initial implementation of the intel-  
3           ligence training program under paragraph (1), and  
4           annually thereafter, the Director shall submit to Con-  
5           gress a report on the program. Each such report shall  
6           include—

7                     (A) an assessment of the effectiveness of the  
8                     project; and

9                     (B) recommendations on the continuation of  
10            the project as well as any recommendations to  
11            improve the effectiveness of information collec-  
12            tion and sharing by qualified officials and rep-  
13            resentatives and the Federal government.

14           (6) *QUALIFIED STATE AND LOCAL OFFICIALS DE-*  
15           *FINED.*—For purposes of this subsection, the term  
16           “qualified State and local officials” means officials of  
17           State and local government agencies that Director of  
18           Central Intelligence determines—

19                     (A) have received appropriate security  
20                     clearances from the Director of the Federal Bu-  
21                     reau of Investigation for access to classified in-  
22                     formation; and

23                     (B) oversee or manage first responders or  
24                     counterterrorism activities.

1 (7) AUTHORIZATION OF APPROPRIATIONS.—

2        *There is authorized to be appropriated to the Director*  
3        *such sums as are necessary to carry out the intel-*  
4        *ligence training program under this subsection.*

(d) *ADVISORY COUNCILS.*—(1) *The Director of the Terrorist Threat Integration Center shall establish two advisory councils (described in paragraph (2)) to provide the Director such advice and recommendations as the Director may require to effectively carry out the functions of the Center.*

11       (2)(A) *One advisory council shall have as its focus pri-*  
12 *vacy and civil liberties issues.*

13        (B) *The other advisory council shall have as its focus*  
14 *State and local government information needs.*

15    ***Subtitle E—Reports and Technical***  
16                    ***Amendments***

17 *SEC. 341. EXTENSION OF DEADLINE FOR FINAL REPORT OF*  
18 *THE NATIONAL COMMISSION FOR THE RE-*  
19 *VIEW OF THE RESEARCH AND DEVELOPMENT*  
20 *PROGRAMS OF THE UNITED STATES INTEL-*  
21 *LIGENCE COMMUNITY.*

(a) IN GENERAL.—Subsection (a) of section 1007 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 50 U.S.C. 401 note; 116 Stat. 2442)

1 *is amended by striking “September 1, 2003” and inserting*  
 2 *“September 1, 2004”.*

3 (b) *EFFECTIVE DATE.*—*The amendment made by sub-*  
 4 *section (a) shall take effect as if included in the enactment*  
 5 *of section 1007 of the Intelligence Authorization Act for Fis-*  
 6 *cal Year 2003.*

7 **SEC. 342. MODIFICATION OF VARIOUS REPORTS REQUIRED**  
 8 **OF INTELLIGENCE COMMUNITY ELEMENTS.**

9 (a) *REPORTS ON ACQUISITION OF TECHNOLOGY RE-*  
 10 *LATING TO WEAPONS OF MASS DESTRUCTION AND AD-*  
 11 *VANCED CONVENTIONAL MUNITIONS.*—*Subsection (b)(1) of*  
 12 *section 721 of the Intelligence Authorization Act for Fiscal*  
 13 *Year 1997 (Public Law 104–293; 110 Stat. 3474; 50 U.S.C.*  
 14 *2366), as amended by section 811(b)(5)(C) of the Intel-*  
 15 *ligence Authorization Act for Fiscal Year 2003 (Public Law*  
 16 *107–306; 116 Stat. 2424; 50 U.S.C. 2366), is amended by*  
 17 *striking “a semiannual” and inserting “an annual”.*

18 (b) *PERIODIC AND SPECIAL REPORTS ON DISCLOSURE*  
 19 *OF INTELLIGENCE INFORMATION TO UNITED NATIONS.*—  
 20 *Section 112(b)(1) of the National Security Act of 1947 (50*  
 21 *U.S.C. 404g(b)(1)) is amended by striking “semiannually”*  
 22 *and inserting “annually”.*

23 **SEC. 343. TECHNICAL AMENDMENTS.**

24 (a) *NATIONAL SECURITY ACT OF 1947.*—*Section*  
 25 *112(d)(1) of the National Security Act of 1947 (50 U.S.C.*

1 404g(d)(1)) is amended by striking “section 103(c)(6)” and  
 2 inserting “section 103(c)(7)”.

3 (b) *CENTRAL INTELLIGENCE AGENCY ACT OF 1949.*—

4 (1) *Section 6 of the Central Intelligence Agency Act of 1949*  
 5 *(50 U.S.C. 403g) is amended by striking “section*  
 6 *103(c)(6)” and inserting “section 103(c)(7)”.*

7 (2) *Section 15 of such Act (50 U.S.C. 403o) is amend-*  
 8 *ed—*

9 (A) *in subsection (a)(1), by striking “special po-*  
 10 *licemen of the General Services Administration per-*  
 11 *form under the first section of the Act entitled ‘An Act*  
 12 *to authorize the Federal Works Administrator or offi-*  
 13 *cials of the Federal Works Agency duly authorized by*  
 14 *him to appoint special policeman for duty upon Fed-*  
 15 *eral property under the jurisdiction of the Federal*  
 16 *Works Agency, and for other purposes’ (40 U.S.C.*  
 17 *318),” and inserting “officers and agents of the De-*  
 18 *partment of Homeland Security, as provided in sec-*  
 19 *tion 1315(b)(2) of title 40, United States Code,”; and*

20 (B) *in subsection (b), by striking “the fourth sec-*  
 21 *tion of the Act referred to in subsection (a) of this sec-*  
 22 *tion (40 U.S.C. 318c)” and inserting “section*  
 23 *1315(c)(2) of title 40, United States Code”.*



1       (c) *NATIONAL SECURITY AGENCY ACT OF 1959*.—Sec-  
 2       tion 11 of the *National Security Agency Act of 1959* (50  
 3       U.S.C. 402 note) is amended—

4               (1) in subsection (a)(1), by striking “special po-  
 5       licemen of the General Services Administration per-  
 6       form under the first section of the Act entitled ‘An Act  
 7       to authorize the Federal Works Administrator or offi-  
 8       cials of the Federal Works Agency duly authorized by  
 9       him to appoint special policeman for duty upon Fed-  
 10      eral property under the jurisdiction of the Federal  
 11      Works Agency, and for other purposes’ (40 U.S.C.  
 12      318)” and inserting “officers and agents of the De-  
 13      partment of Homeland Security, as provided in sec-  
 14      tion 1315(b)(2) of title 40, United States Code,”; and  
 15               (2) in subsection (b), by striking “the fourth sec-  
 16      tion of the Act referred to in subsection (a) (40 U.S.C.  
 17      318c)” and inserting “section 1315(c)(2) of title 40,  
 18      United States Code”.

19       (d) *INTELLIGENCE AUTHORIZATION ACT FOR FISCAL*  
 20       YEAR 2003.—Section 343 of the *Intelligence Authorization*  
 21       Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat.  
 22       2399; 50 U.S.C. 404n–2) is amended—

23               (1) in subsection (c), by striking “section  
 24       103(c)(6) of the *National Security Act of 1947* (50  
 25       U.S.C. 403–3(c)(6))” and inserting “section 103(c)(7)

1        *of the National Security Act of 1947 (50 U.S.C. 403–*  
 2        *3(c)(7))”*; and

3            (2) *in subsection (e)(2), by striking “section*  
 4        *103(c)(6)” and inserting “section 103(c)(7)”*.

5        (e) *PUBLIC LAW 107–173.—Section 201(c)(3)(F) of the*  
 6        *Enhanced Border Security and Visa Entry Reform Act of*  
 7        *2002 (Public Law 107–173; 116 Stat. 548; 8 U.S.C.*  
 8        *1721(c)(3)(F)) is amended by striking “section 103(c)(6) of*  
 9        *the National Security Act of 1947 (50 U.S.C. 403–3(c)(6))”*  
 10        *and inserting “section 103(c)(7) of the National Security*  
 11        *Act of 1947 (50 U.S.C. 403–3(c)(7))”*.

12        (f) *FEDERAL INFORMATION SECURITY MANAGEMENT*  
 13        *ACT OF 2002.—Section 3535(b)(1) of title 44, United States*  
 14        *Code, as added by section 1001(b)(1) of the Homeland Secu-*  
 15        *rity Act of 2002 (Public Law 107–296), and section*  
 16        *3545(b)(1) of title 44, United States Code, as added by sec-*  
 17        *tion 301(b)(1) of the E–Government Act of 2002 (Public*  
 18        *Law 107–347), are each amended by inserting “or any*  
 19        *other law” after “1978”*.

20        **SEC. 344. REPORT ON LESSONS LEARNED FROM MILITARY**  
 21            **OPERATIONS IN IRAQ.**

22        (a) *REPORT.—Not later than one year after the date*  
 23        *of the enactment of this Act, the Director of Central Intel-*  
 24        *ligence shall submit to the appropriate committees of Con-*  
 25        *gress a report on the intelligence lessons learned as a result*

1 of Operation Iraqi Freedom, including lessons relating to  
2 the following:

3 (1) The tasking, collection, processing, exploi-  
4 tation, analysis, and dissemination of intelligence.

5 (2) Accuracy, timeliness, and objectivity of intel-  
6 ligence analysis.

7 (3) Intelligence support to policymakers and  
8 members of the Armed Forces in combat.

9 (4) Coordination of intelligence activities and  
10 operations with military operations.

11 (5) Strengths and limitations of intelligence sys-  
12 tems and equipment.

13 (6) Such other matters as the Director considers  
14 appropriate.

15 (b) RECOMMENDATIONS.—The report under subsection  
16 (a) shall include such recommendations on improvement in  
17 the matters described in subsection (a) as the Director con-  
18 siders appropriate.

19 (c) APPROPRIATE COMMITTEES OF CONGRESS DE-  
20 FINED.—In this section, the term “appropriate committees  
21 of Congress” means—

22 (1) the Permanent Select Committee on Intel-  
23 ligence and the Committee on Armed Services of the  
24 House of Representatives; and

(2) *the Select Committee on Intelligence and the Committee on Armed Services of the Senate.*

## ***TITLE IV—CENTRAL INTELLIGENCE AGENCY***

### ***SEC. 401. PROTECTION FROM TORT LIABILITY FOR CERTAIN CENTRAL INTELLIGENCE AGENCY PERSONNEL.***

*(a) IN GENERAL.—Section 15 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 4030) is amended by adding at the end the following new subsection:*

*“(d)(1) Notwithstanding any other provision of law, any Agency personnel designated by the Director under subsection (a) shall be deemed for purposes of chapter 171 of title 28, United States Code, or any other provision of law relating to tort liability, to be acting within the scope of their office or employment if the Agency personnel take reasonable action, which may include the use of force, to—*

*“(A) protect an individual in the presence of the Agency personnel from a crime of violence;*

*“(B) provide immediate assistance to an individual who has suffered or who is threatened with bodily harm; or*

*“(C) prevent the escape of any individual whom the Agency personnel reasonably believe to have com-*

1       mitted a crime of violence in the presence of such per-  
 2       sonnel.

3       “(2) In this subsection, the term ‘crime of violence’ has  
 4       the meaning given that term in section 16 of title 18,  
 5       United States Code.”.

6       (b) CONSTRUCTION.—Subsection (d) of section 15, as  
 7       added by subsection (a), shall not be construed as affecting  
 8       the authorities of the Attorney General under the Federal  
 9       Employees Liability Reform and Tort Compensation Act  
 10      of 1988 (Public Law 100–694; 28 U.S.C. 2671, 2674,  
 11      2679(b), 2679(d)).

12   **SEC. 402. REPEAL OF LIMITATION ON USE OF FUNDS IN**  
 13                   **CENTRAL SERVICES WORKING CAPITAL**  
 14                   **FUND.**

15       Section 21(f)(2) of the Central Intelligence Agency Act  
 16      of 1949 (50 U.S.C. 403u(f)(2)) is amended—

17           (1) in subparagraph (A), by striking “(A) Sub-  
 18       ject to subparagraph (B), the Director” and inserting  
 19       “The Director”; and  
 20           (2) by striking subparagraph (B).

1 **TITLE V—DEPARTMENT OF DE-**  
 2 **FENSE INTELLIGENCE MAT-**  
 3 **TERS**

4 **SEC. 501. USE OF FUNDS FOR COUNTERDRUG AND**  
 5 **COUNTERTERRORISM ACTIVITIES FOR CO-**  
 6 **LOMBIA.**

7       (a) *EXTENSION OF AUTHORITY.*—Subsection (a) of sec-  
 8 tion 501 of the Intelligence Authorization Act for Fiscal  
 9 Year 2003 (Public Law 107–306; 116 Stat. 2404) is amend-  
 10 ed by striking “for fiscal years 2002 and 2003” and insert-  
 11 ing “for each of fiscal years 2002 through 2005”.

12       (b) *MODIFICATION.*—(1) Subsection (e) of such section  
 13 is amended to read as follows:

14       “(e) *PROHIBITION.*—No United States Armed Forces  
 15 personnel, United States civilian employee or contractor en-  
 16 gaged by the United States will participate in any combat  
 17 operation in connection with assistance made available  
 18 under this section, except for the purpose of acting to protect  
 19 the life or the physical security of others, in self defense,  
 20 or during the course of search and rescue operations.”.

21       (c) *TECHNICAL AMENDMENT.*—Subsection (d) of such  
 22 section is amended by striking “Sections 556, 567, and 568  
 23 of Public Law 107–115, section 8093 of the Department of  
 24 Defense Appropriations Act, 2002,” and inserting “Section  
 25 553 and the certification requirements of section 564(a)(2)

1 *of the Foreign Operations, Export Financing, and Related*  
 2 *Programs Appropriations Act, 2003 (division E of Public*  
 3 *Law 108–7; 117 Stat. 200, 205), and section 8093 of the*  
 4 *Department of Defense Appropriations Act, 2003 (Public*  
 5 *Law 107–248; 116 Stat. 1558; 10 U.S.C. 182 note),”.*

6 (d) *EFFECTIVE DATE.*—*The amendments made by*  
 7 *subsections (b) and (c) shall apply to assistance made avail-*  
 8 *able under such section 501 during fiscal years 2004 and*  
 9 *2005.*

10 **SEC. 502. AUTHORITY TO PROVIDE LIVING QUARTERS FOR**  
 11 **CERTAIN STUDENTS IN COOPERATIVE AND**  
 12 **SUMMER EDUCATION PROGRAMS OF THE NA-**  
 13 **TIONAL SECURITY AGENCY.**

14 *Section 2195 of title 10, United States Code, is amend-*  
 15 *ed by adding at the end the following new subsection:*

16 “(d)(1) *The Director of the National Security Agency*  
 17 *may provide a qualifying employee of a defense laboratory*  
 18 *of that Agency with living quarters at no charge, or at a*  
 19 *rate or charge prescribed by the Director by regulation,*  
 20 *without regard to section 5911(c) of title 5.*

21 “(2) *In this subsection, the term ‘qualifying employee’*  
 22 *means a student who is employed at the National Security*  
 23 *Agency under—*

1           “(A) a Student Educational Employment Pro-  
 2           gram of the Agency conducted under this section or  
 3           any other provision of law; or

4           “(B) a similar cooperative or summer education  
 5           program of the Agency that meets the criteria for Fed-  
 6           eral cooperative or summer education programs pre-  
 7           scribed by the Office of Personnel Management.”.

8   **SEC. 503. AUTHORITY FOR INTELLIGENCE COMMUNITY ELE-**  
 9                           **MENTS OF DEPARTMENT OF DEFENSE TO**  
 10                          **AWARD PERSONAL SERVICE CONTRACTS.**

11           (a) *IN GENERAL.*—Subchapter I of chapter 21 of title  
 12 10, United States Code, is amended by adding at the end  
 13 the following new section:

14   **“§ 426. Personal services contracts: authority and lim-**  
 15                           **itations**

16           “(a) *PERSONAL SERVICES.*—(1) The Secretary of De-  
 17 fense may, notwithstanding section 3109 of title 5, enter  
 18 into personal services contracts in the United States if the  
 19 personal services directly support the mission of a defense  
 20 intelligence component or counter-intelligence organization.

21           “(2) The contracting officer for a personal services con-  
 22 tract shall be responsible for ensuring that a personal serv-  
 23 ices contract is the appropriate vehicle for carrying out the  
 24 purpose of the contract.



1       “(b) *DEFINITION.*—*In this section, the term ‘defense*  
 2 *intelligence component’ means a component of the Depart-*  
 3 *ment of Defense that is an element of the intelligence com-*  
 4 *munity, as defined in section 3(4) of the National Security*  
 5 *Act of 1947 (50 U.S.C. 401a(4)).’.*”

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

*“426. Personal services contracts: authority and limitations.”.*

9       **SEC. 504. PROTECTION OF CERTAIN NATIONAL SECURITY**  
 10                               **AGENCY PERSONNEL FROM TORT LIABILITY.**

11       *Section 11 of the National Security Agency Act of 1959*  
 12 *(50 U.S.C. 402 note) is amended by adding at the end the*  
 13 *following new subsection:*

14       “(d)(1) *Notwithstanding any other provision of law,*  
 15 *agency personnel designated by the Director of the National*  
 16 *Security Agency under subsection (a) shall be considered*  
 17 *for purposes of chapter 171 of title 28, United States Code,*  
 18 *or any other provision of law relating to tort liability, to*  
 19 *be acting within the scope of their office or employment*  
 20 *when such agency personnel take reasonable action, which*  
 21 *may include the use of force, to—*

22               “(A) *protect an individual in the presence of*  
 23 *such agency personnel from a crime of violence;*

1           “(B) provide immediate assistance to an indi-  
 2           vidual who has suffered or who is threatened with  
 3           bodily harm; or

4           “(C) prevent the escape of any individual whom  
 5           such agency personnel reasonably believe to have com-  
 6           mitted a crime of violence in the presence of such  
 7           agency personnel.

8           “(2) Paragraph (1) shall not affect the authorities of  
 9           the Attorney General under section 2679(d)(1) of title 28,  
 10          United States Code.

11          “(3) In this subsection, the term ‘crime of violence’ has  
 12          the meaning given that term in section 16 of title 18,  
 13          United States Code.”.

14   **SEC. 505. MEASUREMENT AND SIGNATURES INTELLIGENCE**  
 15                   **RESEARCH PROGRAM.**

16          (a) *RESEARCH PROGRAM.*—The Secretary of Defense,  
 17          acting through the Director of the Defense Intelligence Agen-  
 18          cy’s Directorate for MASINT and Technical Collection,  
 19          shall carry out a program to incorporate the results of basic  
 20          research on sensors into the measurement and signatures  
 21          intelligence systems of the United States, to the extent the  
 22          results of such research is applicable to such systems.

23          (b) *PROGRAM COMPONENTS.*—The program under sub-  
 24          section (a) shall review and assess both basic research on  
 25          sensors and technologies conducted by the United States

1 *Government and by non-governmental entities. In carrying*  
2 *out the program, the Director shall protect intellectual*  
3 *property rights, maintain organizational flexibility, and es-*  
4 *tablish research projects, funding levels, and potential bene-*  
5 *fits in an equitable manner through Directorate.*

6 *(c) ADVISORY PANEL.—(1) The Director shall establish*  
7 *an advisory panel to assist the Director in carrying out*  
8 *the program under subsection (a).*

9 *(2) The advisory panel shall be headed by the Director*  
10 *who shall determine the selection, review, and assessment*  
11 *of the research projects under the program.*

12 *(3)(A) The Director shall appoint as members of the*  
13 *advisory panel representatives of each entity of the*  
14 *MASINT community, and may appoint as such members*  
15 *representatives of national laboratories, universities, and*  
16 *private sector entities.*

17 *(B) For purposes of this subsection the term “MASINT*  
18 *community” means academic, professional, industrial, and*  
19 *government entities that are committed towards the ad-*  
20 *vancement of the sciences in measurement and signatures*  
21 *intelligence.*

22 *(C) The term for a member of the advisory panel shall*  
23 *be established by the Director, but may not exceed a period*  
24 *of 5 consecutive years.*

1       (D) *Members of the advisory panel may not receive*  
2 *additional pay, allowances, or benefits by reason of their*  
3 *service on the advisory panel, but may receive per diem*  
4 *in lieu of subsistence, in accordance with applicable provi-*  
5 *sions under subchapter I of chapter 57 of title 5, United*  
6 *States Code.*

7       (4) *The Director may accept contributions from non-*  
8 *governmental participants on the advisory panel to defray*  
9 *the expenses of the advisory panel.*



**Union Calendar No. 80**

108TH CONGRESS  
1ST SESSION

**H. R. 2417**

**[Report No. 108-163]**

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**A BILL**

To authorize appropriations for fiscal year 2004 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.

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JUNE 18, 2003

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed