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REPORT
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INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2008

MAY 7, 2007.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

R E P O R T

together with

MINORITY AND ADDITIONAL VIEWS

[To accompany H.R. 2082]

[Including cost estimate of the Congressional Budget Office]

The Permanent Select Committee on Intelligence, to whom was referred the bill (H.R. 2082) to authorize appropriations for fiscal year 2008 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.

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 2008".

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

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

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. Incorporation of reporting requirements.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations.
Sec. 202. Technical amendment to mandatory retirement provision.

TITLE III—INTELLIGENCE AND GENERAL INTELLIGENCE COMMUNITY PROVISIONS

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

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Sec. 302. Restriction on conduct of intelligence activities.
Sec. 303. Clarification of definition of intelligence community under the National Security Act of 1947.
Sec. 304. Extension to the intelligence community of authority to delete information about receipt and disposition of foreign gifts.
Sec. 305. Modification of requirements for reprogramming of funds for intelligence activities.
Sec. 306. Delegation of authority for travel on common carriers for intelligence collection personnel.
Sec. 307. Report on proposed pay for performance intelligence community personnel management system.
Sec. 308. Plan to increase diversity in the intelligence community.

TITLE IV—MATTERS RELATING TO ELEMENTS OF THE INTELLIGENCE COMMUNITY

Subtitle A—Office of the Director of National Intelligence

Sec. 401. Clarification of limitation on co-location of the Office of the Director of National Intelligence.
Sec. 402. Membership of the Director of National Intelligence on the Transportation Security Oversight Board.
Sec. 403. Additional duties of the Director of Science and Technology of the Office of the Director of National Intelligence.
Sec. 404. Leadership and location of certain offices and officials.
Sec. 405. Eligibility for incentive awards of personnel assigned to the Office of the Director of National Intelligence.
Sec. 406. Multi-level security clearances.
Sec. 407. National intelligence estimate on global climate change.
Sec. 408. Plan to implement recommendations of the data center efficiency reports.
Sec. 409. Comprehensive inventory of special access programs.
Sec. 410. Quarterly intelligence reports to Congress on Iran and North Korea.
Sec. 411. Accountability in intelligence contracting.
Sec. 412. Annual report on foreign language proficiency in the intelligence community.
Sec. 413. Intelligence community reports on foreign language proficiency.

Subtitle B—Central Intelligence Agency

Sec. 421. Deputy Director of the Central Intelligence Agency.
Sec. 422. General authorities of the Central Intelligence Agency.
Sec. 423. Review of covert action programs by Inspector General of the Central Intelligence Agency.
Sec. 424. Report on audited financial statements progress.

Subtitle C—Other Elements

Sec. 431. Clarifying amendments relating to Section 105 of the Intelligence Authorization Act for Fiscal Year 2004.
Sec. 432. Repeal of certain authorities relating to the Office of the National Counterintelligence Executive.
Sec. 433. Clarification of inclusion of Coast Guard and Drug Enforcement Administration elements in the intelligence community.

TITLE V—OTHER MATTERS

Subtitle A—General Intelligence Matters

Sec. 501. Aerial reconnaissance platforms.
Sec. 502. Extension of National Commission for Review of Research and Development Programs of the United States Intelligence Community.

Subtitle B—Technical Amendments

Sec. 511. Technical amendments relating to the multiyear National Intelligence Program.
Sec. 512. Technical clarification of certain references to Joint Military Intelligence Program and Tactical Intelligence and Related Activities.
Sec. 513. Technical amendments to the National Security Act of 1947.
Sec. 514. Technical amendments to the Intelligence Reform and Terrorism Prevention Act of 2004.
Sec. 515. Technical amendments to the Executive Schedule.
Sec. 516. Technical amendments relating to titles of Central Intelligence Agency positions.
Sec. 517. Technical amendments relating to redesignation of the National Imagery and Mapping Agency as the National Geospatial-Intelligence Agency.

SEC. 2. DEFINITIONS.

In this Act:

(1) CONGRESSIONAL INTELLIGENCE COMMITTEES.—The term "congressional intelligence committees" means—

(A) the Permanent Select Committee on Intelligence of the House of Representatives; and

(B) the Select Committee on Intelligence of the Senate.

(2) INTELLIGENCE COMMUNITY.—The term "intelligence community" has the meaning given the term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2008 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Office of the Director of National Intelligence.

(2) The Central Intelligence Agency.

(3) The Department of Defense.

(4) The Defense Intelligence Agency.

(5) The National Security Agency.
(6) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
(7) The Coast Guard.
(8) The Department of State.
(9) The Department of the Treasury.
(10) The Department of Energy.
(11) The Department of Justice.
(12) The Federal Bureau of Investigation.
(13) The Drug Enforcement Administration.
(14) The National Reconnaissance Office.
(15) The National Geospatial-Intelligence Agency.
(16) 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, 2008, 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. 2082 of the One Hundred Tenth 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 National Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 2008 under section 102 when the Director of National Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed 2 percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of National Intelligence shall promptly notify the congressional intelligence committees 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 National Intelligence for fiscal year 2008 the sum of $737,876,000. 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, 2009.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Intelligence Community Management Account of the Director of National Intelligence are authorized 1035 full-time personnel as of September 30, 2008. 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 2008 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts for advanced research and development shall remain available until September 30, 2009.

(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, 2008, 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 2008 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 National Intelligence.

(e) NATIONAL DRUG INTELLIGENCE CENTER.—

(1) IN GENERAL.—Of the amount authorized to be appropriated in subsection (a), $39,000,000 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, 2009, and funds provided for procurement purposes shall remain available until September 30, 2010.

(2) TRANSFER OF FUNDS.—The Director of National 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 for purposes of exercising police, subpoena, or law enforcement powers or internal security functions.

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

SEC. 105. INCORPORATION OF REPORTING REQUIREMENTS.

Each requirement to submit a report to the congressional intelligence committees that is included in the joint explanatory statement to accompany the conference report on the bill H.R. 2082 of the One Hundred Tenth Congress, or in the classified annex to this Act, is hereby incorporated into this Act, and is hereby made a requirement in law.

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 2008 the sum of $262,500,000.

SEC. 202. TECHNICAL AMENDMENT TO MANDATORY RETIREMENT PROVISION.

Section 235(b)(1)(A) of the Central Intelligence Agency Retirement Act (50 U.S.C. 2055(b)(1)(A)) is amended to read as follows:

"(A) upon reaching age 65, in the case of a participant in the system serving in a position with a Senior Intelligence Service rank of level 4 or above;".

TITLE III—INTELLIGENCE AND GENERAL INTELLIGENCE COMMUNITY 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. CLARIFICATION OF DEFINITION OF INTELLIGENCE COMMUNITY UNDER THE NATIONAL SECURITY ACT OF 1947.

Subparagraph (L) of section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)) is amended by striking "other" the second place it appears.

SEC. 304. EXTENSION TO THE INTELLIGENCE COMMUNITY OF AUTHORITY TO DELETE INFORMATION ABOUT RECEIPT AND DISPOSITION OF FOREIGN GIFTS.

Section 7342(f)(4) of title 5, United States Code, is amended to read as follows:

"(4) In transmitting such listings for an element of the intelligence community (as such term is defined in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4))), the head of such element of the intelligence community may delete the information described in subparagraphs (A) and (C) of paragraphs (2) and (3) if the head of such element of the intelligence community certifies in writing to the Secretary of State that the publication of such information could adversely affect United States intelligence sources or methods.".

SEC. 305. MODIFICATION OF REQUIREMENTS FOR REPROGRAMMING OF FUNDS FOR INTELLIGENCE ACTIVITIES.

Section 504(a)(3)(B) of the National Security Act of 1947 (50 U.S.C. 414(a)(3)(B)) is amended to read as follows:

"(B) the activity to be funded supports an emergent need, improves program effectiveness, or increases efficiency; and".

SEC. 306. DELEGATION OF AUTHORITY FOR TRAVEL ON COMMON CARRIERS FOR INTELLIGENCE COLLECTION PERSONNEL.

(a) DELEGATION OF AUTHORITY.—Section 116(b) of the National Security Act of 1947 (50 U.S.C. 404k(b)) is amended—

(1) by inserting "(1)" before "The Director";

(2) in paragraph (1), by striking "may only delegate" and all that follows and inserting "may delegate the authority in subsection (a) to the head of any other element of the intelligence community."; and

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

"(2) The head of an element of the intelligence community to whom the authority in subsection (a) is delegated pursuant to paragraph (1) may further delegate such authority to such senior officials of such element as are specified in guidelines prescribed by the Director of National Intelligence for purposes of this paragraph.".

(b) SUBMISSION OF GUIDELINES TO CONGRESS.—Not later than six months after the date of the enactment of this Act, the Director of National Intelligence shall prescribe and submit to the congressional intelligence committees the guidelines referred to in paragraph (2) of section 116(b) of the National Security Act of 1947, as added by subsection (a).

SEC. 307. REPORT ON PROPOSED PAY FOR PERFORMANCE INTELLIGENCE COMMUNITY PERSONNEL MANAGEMENT SYSTEM.

(a) PROHIBITION ON PAY FOR PERFORMANCE UNTIL REPORT.—The Director of National Intelligence and the head of each element of the intelligence community may not implement a plan that provides compensation to personnel of an element of the intelligence community based on performance until the date that is 45 days after the date on which the Director of National Intelligence submits a report under subsection (b).

(b) REPORT.—The Director of National Intelligence shall submit to the congressional intelligence committees a report on performance-based compensation for the intelligence community, including—

(1) an implementation time line, by phase and by element of the intelligence community, which includes target dates for completion of—

(A) the development of performance appraisal plans;

(B) establishment of oversight and appeal mechanisms;

(C) deployment of information technology systems;

(D) management training;

(E) employee training;

(F) compensation transition; and

(G) full operational capacity;

(2) an estimated budget, by phase of implementation and element of the intelligence community, for the implementation of the performance-based compensation system;

(3) an evaluation plan to monitor the implementation of the performance-based compensation system and to improve and modify such system;

(4) written standards for measuring the performance of employees;

(5) a description of the performance-based compensation system, including budget oversight mechanisms to ensure sufficient funds to pay employees for bonuses;

(6) a description of internal and external accountability mechanisms to ensure the fair treatment of employees;

(7) a plan for initial and ongoing training for senior executives, managers, and employees;

(8) a description of the role of any advisory committee or other mechanism designed to gather the input of employees relating to the creation and implementation of the system; and

(9) an assessment of the impact of the performance-based compensation system on women, minorities, persons with disabilities, and veterans.

SEC. 308. PLAN TO INCREASE DIVERSITY IN THE INTELLIGENCE COMMUNITY.

(a) STRATEGIC PLAN REQUIRED.—The Director of National Intelligence shall submit to the congressional intelligence committees a plan to increase diversity across the intelligence community. Such plan shall include—

(1) a description of the long term and short term goals for the intelligence community;

(2) a description of how the plan will be implemented by each element of the intelligence community, taking into account the unique nature of individual elements of the intelligence community;

(3) training and education programs for senior officials and managers; and

(4) performance metrics.

(b) RESTRICTION ON COMMUNITY MANAGEMENT FUNDS UNTIL SUBMISSION OF PLAN.—The Director of National Intelligence may only obligate or expend 80 percent of the funds appropriated to the Intelligence Community Management Account pursuant to section 104(a) until the date on which the report required under subsection (a) is submitted.

TITLE IV—MATTERS RELATING TO ELEMENTS OF THE INTELLIGENCE COMMUNITY

Subtitle A—Office of the Director of National Intelligence

SEC. 401. CLARIFICATION OF LIMITATION ON CO-LOCATION OF THE OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE.

Section 103(e) of the National Security Act of 1947 (50 U.S.C. 403–3(e)) is amended—

(1) in the heading, by striking "WITH" and inserting "OF HEADQUARTERS WITH HEADQUARTERS OF" ;

(2) by inserting "the headquarters of" before "the Office"; and

(3) by inserting "the headquarters of" before "any other element".

SEC. 402. MEMBERSHIP OF THE DIRECTOR OF NATIONAL INTELLIGENCE ON THE TRANSPORTATION SECURITY OVERSIGHT BOARD.

Subparagraph (F) of section 115(b)(1) of title 49, United States Code, is amended to read as follows:

"(F) The Director of National Intelligence, or the Director's designee.".

SEC. 403. ADDITIONAL DUTIES OF THE DIRECTOR OF SCIENCE AND TECHNOLOGY OF THE OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE.

(a) COORDINATION AND PRIORITIZATION OF RESEARCH CONDUCTED BY ELEMENTS OF INTELLIGENCE COMMUNITY.—Subsection (d) of section 103E of the National Security Act of 1947 (50 U.S.C. 403–3e) is amended—

(1) in paragraph (3)(A), by inserting "and prioritize" after "coordinate"; and

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

"(4) In carrying out paragraph (3)(A), the Committee shall identify basic, advanced, and applied research programs to be executed by elements of the intelligence community.".

(b) DEVELOPMENT OF TECHNOLOGY GOALS.—Such section is further amended—

(1) in subsection (c)—

(A) in paragraph (4), by striking "and" at the end;

(B) by redesignating paragraph (5) as paragraph (6); and

(C) by inserting after paragraph (4) the following new paragraph:

"(5) assist the Director in establishing goals for the elements of the intelligence community to meet the technology needs of the intelligence community; and"; and

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

"(e) GOALS FOR TECHNOLOGY NEEDS OF INTELLIGENCE COMMUNITY.—In carrying out subsection (c)(5), the Director of Science and Technology shall—

"(1) systematically identify and assess the most significant intelligence challenges that require technical solutions;

"(2) examine options to enhance the responsiveness of research programs; and

"(3) ensure that programs are designed to meet the technical requirements of the intelligence community.".

(c) REPORT.—(1) Not later than June 30, 2008, the Director of National Intelligence shall submit to Congress a report containing a strategy for the development and use of technology in the intelligence community through 2018.

(2) The report shall include—

(A) an assessment of the highest priority intelligence gaps across the intelligence community that may be resolved by the use of technology;

(B) goals for basic, advanced, and applied research and development and a strategy to achieve such goals;

(C) an explanation of how each advanced research and development project funded under the National Intelligence Program addresses an identified intelligence gap;

(D) a list of all current and projected research and development projects by research type (basic, advanced, or applied) with estimated funding levels, estimated initiation dates, and estimated completion dates; and

(E) a plan to transition technology from research and development projects into National Intelligence Program acquisition programs.

(3) The report may be submitted in classified form.

SEC. 404. LEADERSHIP AND LOCATION OF CERTAIN OFFICES AND OFFICIALS.

(a) NATIONAL COUNTER PROLIFERATION CENTER.—Section 119A(a) of the National Security Act of 1947 (50 U.S.C. 404o–1(a)) is amended—

(1) by striking "ESTABLISHMENT.—Not later than 18 months after the date of the enactment of the National Security Intelligence Reform Act of 2004, the" and inserting "(1) ESTABLISHMENT.—The"; and

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

"(2) DIRECTOR.—The head of the National Counter Proliferation Center shall be the Director of the National Counter Proliferation Center, who shall be appointed by the Director of National Intelligence.

"(3) LOCATION.—The National Counter Proliferation Center shall be located within the Office of the Director of National Intelligence.".

(b) OFFICERS.—Section 103(c) of that Act (50 U.S.C. 403–3(c)) is amended—

(1) by redesignating paragraph (9) as paragraph (13); and

(2) by inserting after paragraph (8) the following new paragraphs:

"(9) The Chief Information Officer of the intelligence community.

"(10) The Inspector General of the intelligence community.

"(11) The Director of the National Counterterrorism Center.

"(12) The Director of the National Counter Proliferation Center.".

SEC. 405. ELIGIBILITY FOR INCENTIVE AWARDS OF PERSONNEL ASSIGNED TO THE OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE.

(a) IN GENERAL.—Subsection (a) of section 402 of the Intelligence Authorization Act for Fiscal Year 1984 (50 U.S.C. 403e–1) is amended to read as follows:

"(a) AUTHORITY FOR PAYMENT OF AWARDS.—(1) The Director of National Intelligence may exercise the authority granted in section 4503 of title 5, United States Code, with respect to Federal employees and members of the Armed Forces detailed or assigned to the Office of the Director of National Intelligence in the same manner as such authority may be exercised with respect to personnel of the Office.

"(2) The Director of the Central Intelligence Agency may exercise the authority granted in section 4503 of title 5, United States Code, with respect to Federal employees and members of the Armed Forces detailed or assigned to the Central Intelligence Agency in the same manner as such authority may be exercised with respect to personnel of the Agency.".

(b) REPEAL OF OBSOLETE AUTHORITY.—Such section is further amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

(c) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (b), by striking "to the Central Intelligence Agency or to the Intelligence Community Staff" and inserting "to the Office of the Director of National Intelligence or to the Central Intelligence Agency"; and

(2) in subsection (c), as redesignated by subsection (b)(2) of this section, by striking "Director of Central Intelligence" and inserting "Director of National Intelligence or Director of the Central Intelligence Agency".

(d) TECHNICAL AND STYLISTIC AMENDMENTS.—That section is further amended—

(1) in subsection (b)—

(A) by inserting "PERSONNEL ELIGIBLE FOR AWARDS.—" after "(b)";

(B) by striking "subsection (a) of this section" and inserting "subsection (a)"; and

(C) by striking "a date five years before the date of enactment of this section" and inserting "December 9, 1978"; and

(2) in subsection (c), as so redesignated, by inserting "PAYMENT AND ACCEPTANCE OF AWARDS.—" after "(c)".

SEC. 406. MULTI-LEVEL SECURITY CLEARANCES.

(a) IN GENERAL.—Section 102A of the National Security Act of 1947 (50 U.S.C. 403-1) is amended by adding at the end the following new subsection:

"(s) MULTI-LEVEL SECURITY CLEARANCES.—The Director of National Intelligence shall establish a multi-level security clearance system for the intelligence community to enable the intelligence community to more efficiently make use of persons proficient in foreign languages or with cultural, linguistic, or other subject matter expertise that is critical to national security.".

(b) ESTABLISHMENT DATE.—The Director of National Intelligence shall establish a multi-level security clearance system under section 102A(s) of the National Security Act of 1947, as added by subsection (a), not later than 180 days after the date of the enactment of this Act.

SEC. 407. NATIONAL INTELLIGENCE ESTIMATE ON GLOBAL CLIMATE CHANGE.

(a) NATIONAL INTELLIGENCE ESTIMATE.—Not later than 270 days after the date of enactment of this Act, the Director of National Intelligence shall submit to Congress a national intelligence estimate on the anticipated geopolitical effects of global climate change and the implications of such effects on the national security of the United States.

(b) CONTENT.—In preparing the national intelligence estimate required by this section, the Director of National Intelligence shall—

(1) assess the political, social, agricultural, and economic risks during the 30-year period beginning on the date of enactment of this Act posed by global climate change for countries or regions that are—

(A) of strategic national security importance to the United States and at risk of significant impact due to global climate change; or

(B) at significant risk of large-scale humanitarian suffering with cross-border implications as predicted on the basis of the assessments;

(2) assess the capabilities of the countries or regions described in subparagraph (A) or (B) of paragraph (1) to respond to adverse national security impacts caused by global climate change;

(3) assess the strategic challenges and opportunities posed to the United States by the risks described in paragraph (1); and

(4) assess the impact of global climate change on the activities of the United States intelligence community throughout the world.

(c) COORDINATION.—In preparing the national intelligence estimate under this section, the Director of National Intelligence shall consult with representatives of the scientific community, and, as appropriate, multilateral institutions and allies of the United States that have conducted significant research on global climate change.

(d) FORM.—The national intelligence estimate required by this section (including key judgments) shall be submitted in unclassified form, but may include a classified annex.

SEC. 408. PLAN TO IMPLEMENT RECOMMENDATIONS OF THE DATA CENTER EFFICIENCY REPORTS.

(a) PLAN.—The Director of National Intelligence shall develop a plan to implement the recommendations of the report submitted to Congress under section 1 of the Act entitled "An Act to study and promote the use of energy efficient computer servers in the United States" (Public Law 109-431; 120 Stat. 2920) across the intelligence community.

(b) REPORT.—

(1) IN GENERAL.—Not later then February 1, 2008, the Director of National Intelligence shall submit to Congress a report containing the plan developed under subsection (a).

(2) FORM.—The report under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex.

SEC. 409. COMPREHENSIVE INVENTORY OF SPECIAL ACCESS PROGRAMS.

Not later than January 15, 2008, the Director of National Intelligence shall submit to the congressional intelligence committees a classified report providing a comprehensive inventory of all special access programs under the National Intelligence Program (as defined in section 3(6) of the National Security Act of 1947 (50 U.S.C. 401a(6))).

SEC. 410. QUARTERLY INTELLIGENCE REPORTS TO CONGRESS ON IRAN AND NORTH KOREA.

(a) IN GENERAL.—

(1) REPORT.—Title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.) is amended by adding at the end the following new section:

"QUARTERLY INTELLIGENCE REPORTS TO CONGRESS ON IRAN AND NORTH KOREA

"SEC. 508. (a) REPORT.—

"(1) IN GENERAL.—On a quarterly basis, the Director of National Intelligence shall submit to the congressional intelligence committees a report on the current intentions and capabilities of the Islamic Republic of Iran and Democratic People's Republic of Korea (North Korea) with regard to the nuclear programs of Iran and North Korea, respectively, including—

"(A) an assessment of nuclear weapons programs;

"(B) an evaluation, consistent with existing reporting standards and practices, of the sources upon which the intelligence is based, including the number of sources and the reliability of each source;

"(C) a summary of any new intelligence gathered or developed since the previous report, including intelligence collected from both open and clandestine sources; and

"(D) a discussion of any dissents, caveats, gaps in knowledge, or other information that would reduce confidence in the overall assessment.

"(2) FORM.—Each report submitted under paragraph (1) may be submitted in classified form.

"(b) ACCESS TO REPORT.—Each report submitted under subsection (a)(1) shall be made available to all members of the congressional intelligence committees and to all staff of the congressional intelligence committees with appropriate security clearance. Other members of the Senate or the House of Representatives may review the reports in accordance with security procedures established by each of the congressional intelligence committees.".

(2) CONFORMING AMENDMENT.—The table of contents in the first section of such Act is amended by inserting after the item relating to section 507 the following new item:

"Sec. 508. Quarterly intelligence reports to Congress on Iran and North Korea.".

(b) EFFECTIVE DATE.—The first report required to be submitted under section 508(a)(1) of the National Security Act of 1947, as added by subsection (a)(1), shall be submitted not later than 30 days after the date of the enactment of this Act.

SEC. 411. ACCOUNTABILITY IN INTELLIGENCE CONTRACTING.

(a) OVERSIGHT REPORT ON IC CONTRACTORS.—

(1) REPORT.—

(A) IN GENERAL.—Title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.) is further amended by adding at the end the following new section:

"REPORT ON INTELLIGENCE COMMUNITY CONTRACTORS

"SEC. 509. Not later each year than the date provided in section 507, the Director of National Intelligence shall submit to the congressional intelligence committees a report on contractors funded under the National Intelligence Program. Such report shall include—

"(1) a list of all contractors that—

"(A) have been the subject of an investigation completed by the Inspector General of any element of the intelligence community during the preceding fiscal year,

"(B) are the subject of an investigation by such an Inspector General during the current fiscal year, or

"(C) will be the subject of an investigation that may affect the ability of the contractor to deliver contracted services to the intelligence community by such an Inspector General during the current fiscal year,

either as a corporate entity or an individual employee, for financial waste, fraud, abuse of government resources, failure to perform a contract, or criminal violations; and

"(2) the number of contractors performing services for each element of the intelligence community.".

(B) REPORT DATE.—Section 507(a)(1) of such Act (50 U.S.C. 415b(a)(1)) is amended by—

(i) redesignating subparagraph (N) as subparagraph (J);

(ii) adding at the end the following new subparagraph:

"(K) The annual report on intelligence community contractors required by section 509.".

(2) CONFORMING AMENDMENT.—The table of contents in the first section of such Act is further amended by inserting after the item relating to section 508, as added by section 410, the following new item:

"Sec. 509. Report on intelligence community contractors".

(b) REPORT ON REGULATIONS AND ACCOUNTABILITY MECHANISMS GOVERNING INTELLIGENCE COMMUNITY CONTRACTORS.—

(1) REPORT REQUIREMENT.—Not later than February 1, 2008, the Director of National Intelligence shall submit to the congressional intelligence committees a report on accountability mechanisms that govern the ongoing performance of contractors for personal services contracts under the National Intelligence Program.

(2) MATTERS COVERED.—The report submitted under paragraph (1) shall include—

(A) a list of statutes and regulations that govern the ongoing performance of contractors for services contracts entered into by each element of the intelligence community;

(B) an analysis of accountability mechanisms within services contracts awarded for intelligence activities by each element of the intelligence community during fiscal years 2006 and 2007;

(C) an analysis of procedures in use in the intelligence community for conducting oversight of contractors to ensure identification and prosecution of criminal violations, financial waste, fraud, or other abuses committed by contractors or contract personnel; and

(D) an identification of best practices of accountability mechanisms within services contracts.

(3) FORM.—The report under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex.

(c) IMPACT OF CONTRACTORS ON THE INTELLIGENCE COMMUNITY WORKFORCE.—

(1) REPORT REQUIREMENT.—Not later than March 1, 2008, the Director of National Intelligence shall submit to the congressional intelligence committees a report on the impact of contractors on the intelligence community workforce under the National Intelligence Program.

(2) MATTERS COVERED.—The report submitted under paragraph (1) shall include—

(A) an identification of contracts where the contractor is providing a substantially similar functions to a government employee;

(B) a comparison of the compensation of contract employees and government employees performing substantially similar functions;

(C) an analysis of the attrition of government personnel for contractor positions that provide substantially similar functions; and

(D) an estimate of the value of the infrastructure provided to contract employees for government furnished equipment, facilities, or other support, by agency and expenditure center.

SEC. 412. ANNUAL REPORT ON FOREIGN LANGUAGE PROFICIENCY IN THE INTELLIGENCE COMMUNITY.

(a) REPORT.—

(1) IN GENERAL.—Title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.) is further amended by adding at the end the following new section:

"REPORT ON FOREIGN LANGUAGE PROFICIENCY IN THE INTELLIGENCE COMMUNITY

"SEC. 510. Not later each year than the date provided in section 507, the Director of National Intelligence shall submit to the congressional intelligence committees a report on the foreign language proficiency of each element of the intelligence community, including—

"(1) the number of positions authorized for such element that require foreign language proficiency and the level of proficiency required;

"(2) the number of positions authorized for such element that require foreign language proficiency that are filled by—

"(A) military personnel; and

"(B) civilian personnel;

"(3) the number of applicants for positions in such element in the previous fiscal year that indicated foreign language proficiency, including the foreign language indicated and the proficiency level;

"(4) the number of persons hired by such element with foreign language proficiency, including the foreign language and proficiency level;

"(5) the number of personnel of such element currently attending foreign language training, including the provider of such training;

"(6) a description of such element's efforts to recruit, hire, train, and retain personnel that are proficient in a foreign language; and

"(7) an assessment of methods and models for basic, advanced, and intensive foreign language training.".

(2) REPORT DATE.—Section 507(a)(1) of such Act (50 U.S.C. 415b(a)(1)) is further amended by adding at the end the following new subparagraph:

"(L) The annual report on foreign language proficiency in the intelligence community required by section 510.".

(b) CONFORMING AMENDMENT.—The table of contents in the first section of such Act is further amended by inserting after the item relating to section 509, as added by section 411, the following new item:

"Sec. 510. Report on foreign language proficiency in the intelligence community.".

SEC. 413. INTELLIGENCE COMMUNITY REPORTS ON FOREIGN LANGUAGE PROFICIENCY.

(a) ANNUAL REPORTS.—

(1) IN GENERAL.—Title I of the National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

"ANNUAL REPORTS ON FOREIGN LANGUAGE PROFICIENCY

"SEC. 120. (a) IN GENERAL.—The head of each element of the intelligence community shall annually submit to the Director of National Intelligence a report on the foreign language proficiency of the personnel of such element.

"(b) CONTENTS.—

"(1) IN GENERAL.—Each report submitted under subsection (a) shall include, for each foreign language and, where appropriate, dialect of a foreign language—

"(A) the number of positions of such element that require proficiency in the foreign language or dialect;

"(B) the number of personnel of such element that are serving in a position that—

"(i) requires proficiency in the foreign language or dialect to perform the primary duty of the position; and

"(ii) does not require proficiency in the foreign language or dialect to perform the primary duty of the position;

"(C) the number of personnel that are proficient in the foreign language or dialect that—

"(i) are authorized for the element of the intelligence community for which the report is submitted; and

"(ii) the head of such element considers necessary for such element for each of the five years following the date of the submission of the report;

"(D) the number of personnel of such element rated at each level of proficiency of the Interagency Language Roundtable;

"(E) whether the number of personnel at each level of proficiency of the Interagency Language Roundtable meets the requirements of such element;

"(F) the number of personnel serving or hired to serve as linguists for such element that are not qualified as linguists under the standards of the Interagency Language Roundtable;

"(G) the number of personnel hired to serve as linguists for such element during the preceding calendar year;

"(H) the number of personnel serving as linguists that discontinued serving such element during the preceding calendar year;

"(I) the percentage of work requiring linguistic skills that is fulfilled by an ally of the United States;

"(J) the percentage of work requiring linguistic skills that is fulfilled by contractors; and

"(K) the percentage of work requiring linguistic skills that is fulfilled by members of the Armed Forces.

"(2) MILITARY PERSONNEL.—Except as provided in paragraph (1)(K), a report submitted under subsection (a) shall not include personnel that are members of the Armed Forces on active duty assigned to the element for which the report is submitted.

"(c) DNI REPORT TO CONGRESS.—The Director of National Intelligence shall annually submit to the Permanent Select Committee on Intelligence and the Subcommittee on Defense of the Committee on Appropriations of the House of Representatives and the Select Committee on Intelligence and the Subcommittee on Defense of the Committee on Appropriations of the Senate a report containing—

"(1) each report submitted to the Director of National Intelligence for a year under subsection (a);

"(2) an assessment of the foreign language capacity and capabilities of the intelligence community as a whole; and

"(3) recommendations for eliminating required reports relating to foreign-language proficiency that the Director of National Intelligence considers outdated or no longer relevant.".

(2) TABLE OF CONTENTS.—Such Act is further amended in the table of contents in the first section by inserting after the item relating to section 119B the following new item:

"Sec. 120. Annual reports on foreign language proficiency.".

(b) EFFECTIVE DATE.—

(1) REPORT BY HEADS OF ELEMENTS OF THE INTELLIGENCE COMMUNITY.—The first report required to be submitted by the head of each element of the intelligence community under section 120(a) of the National Security Act of 1947, as added by subsection (a)(1), shall be submitted not later than 180 days after the date of the enactment of this Act.

(2) REPORT BY DNI.—The first report required to be submitted by the Director of National Intelligence under section 120(c) of the National Security Act of 1947, as added by subsection (a)(1), shall be submitted not later than 240 days after the date of the enactment of this Act.

Subtitle B—Central Intelligence Agency

SEC. 421. DEPUTY DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY.

(a) ESTABLISHMENT AND DUTIES OF THE POSITION OF DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE AGENCY.—(1) Title I of the National Security Act of 1947 (50 U.S.C. 402 et seq.) is amended by inserting after section 104A the following new section:

"DEPUTY DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY

"SEC. 104B. (a) DEPUTY DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY.—There is a Deputy Director of the Central Intelligence Agency who shall be appointed by the President, by and with the advice and consent of the Senate.

"(b) DUTIES.—The Deputy Director of the Central Intelligence Agency shall—

"(1) assist the Director of the Central Intelligence Agency in carrying out the duties and responsibilities of the Director; and

"(2) act for, and exercise the powers of, the Director of the Central Intelligence Agency during the absence or disability of the Director of the Central Intelligence Agency, or during a vacancy in the position of Director of the Central Intelligence Agency.".

(2) CONFORMING AMENDMENT.—The table of contents in the first section of such Act is amended by inserting after the item relating to section 104A the following new item:

"Sec. 104B. Deputy Director of the Central Intelligence Agency.".

(b) EXECUTIVE SCHEDULE LEVEL III.—Section 5314 of title 5, United States Code, is amended by striking the item relating to the Deputy Directors of Central Intelligence and inserting the following new item:

"Deputy Director of the Central Intelligence Agency.".

SEC. 422. GENERAL AUTHORITIES OF THE CENTRAL INTELLIGENCE AGENCY.

Section 5(a)(1) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f(a)(1)) is amended by striking "any of the functions or activities authorized under paragraphs (2) and (3) of section 102(a), subsections (c)(7) and (d) of section 103, subsections (a) and (g) of section 104, and section 303 of the National Security Act of 1947 (50 U.S.C. 403(a)(2), (3), 403–3(c)(7), (d), 403–4(a), (g), and 405)," and inserting "any functions or activities authorized by law to be conducted by the Central Intelligence Agency".

SEC. 423. REVIEW OF COVERT ACTION PROGRAMS BY INSPECTOR GENERAL OF THE CIA.

(a) IN GENERAL.—Section 503 of the National Security Act of 1947 (50 U.S.C. 413b) is amended by—

(1) redesignating subsection (e) as subsection (g) and transferring such subsection to the end;

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

"(e) INSPECTOR GENERAL AUDITS OF COVERT ACTIONS.—

"(1) IN GENERAL.—Subject to paragraph (2), the Inspector General of the Central Intelligence Agency shall conduct an audit of each covert action at least every three years.

"(2) TERMINATED, SUSPENDED PROGRAMS.—The Inspector General of the Central Intelligence Agency is not required to conduct an audit under paragraph (1) of a covert action that has been terminated or suspended if such covert action was terminated or suspend prior to the last audit of such covert action conducted by the Inspector General and has not been restarted after the date on which such audit was completed.

"(3) REPORT.—Not later than 60 days after the completion of an audit conducted pursuant to paragraph (1), the Inspector General of the Central Intelligence Agency shall submit to the congressional intelligence committees a report containing the results of such audit.".

(b) CONFORMING AMENDMENTS.—Title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.) is amended—

(1) in section 501(f) (50 U.S.C. 413(f)), by striking "503(e)" and inserting "503(g)";

(2) in section 502(a)(1) (50 U.S.C. 413b(a)(1)), by striking "503(e)" and inserting "503(g)"; and

(3) in section 504(c) (50 U.S.C. 414(c)), by striking "503(e)" and inserting "503(g)".

SEC. 424. REPORT ON AUDITED FINANCIAL STATEMENTS PROGRESS.

Section 114A of the National Security Act of 1947 (50 U.S.C. 404i-1) is amended by striking "the Director of the Central Intelligence Agency,".

Subtitle C—Other Elements

SEC. 431. CLARIFYING AMENDMENTS RELATING TO SECTION 105 OF THE INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2004.

Section 105(b) of the Intelligence Authorization Act for Fiscal Year 2004 (Public Law 108–177; 117 Stat. 2603; 31 U.S.C. 311 note) is amended—

(1) by striking "Director of Central Intelligence" and inserting "Director of National Intelligence"; and

(2) by inserting "or in section 313 of such title," after "subsection (a)),".

SEC. 432. REPEAL OF CERTAIN AUTHORITIES RELATING TO THE OFFICE OF THE NATIONAL COUNTERINTELLIGENCE EXECUTIVE.

(a) REPEAL OF CERTAIN AUTHORITIES.—Section 904 of the Counterintelligence Enhancement Act of 2002 (title IX of Public Law 107–306; 50 U.S.C. 402c) is amended—

(1) by striking subsections (d), (h), (i), and (j);

(2) in subsection (g), by striking paragraphs (3) and (4); and

(3) by redesignating subsections (e), (f), (g), (k), (l), and (m) as subsections (d), (e), (f), (g), (h), and (i), respectively.

(b) CONFORMING AMENDMENTS.—That section is further amended—

(1) in subsection (d), as redesignated by subsection (a)(2) of this section, by striking "subsection (f)" each place it appears in paragraphs (1) and (2) and inserting "subsection (e)"; and

(2) in subsection (e)(2), as so redesignated, by striking "subsection (e)(2)" and inserting "subsection (d)(2)".

SEC. 433. CLARIFICATION OF INCLUSION OF COAST GUARD AND DRUG ENFORCEMENT ADMINISTRATION ELEMENTS IN THE INTELLIGENCE COMMUNITY.

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

(1) in subparagraph (H)—

(A) by inserting "the Coast Guard," after "the Marine Corps,"; and

(B) by inserting "the Drug Enforcement Administration," after "the Federal Bureau of Investigation,"; and

(2) in subparagraph (K), by striking ", including the Office of Intelligence of the Coast Guard".

TITLE V—OTHER MATTERS

Subtitle A—General Intelligence Matters

SEC. 501. AERIAL RECONNAISSANCE PLATFORMS.

(a) LIMITATION ON TERMINATION OF U–2 AIRCRAFT PROGRAM.—The Secretary of Defense may not begin the process to terminate the U-2 aircraft program until the Secretary certifies in accordance with subsection (b) that there would be no loss of national or Department of Defense intelligence, surveillance, and reconnaissance (ISR) capabilities in transitioning from the U–2 aircraft program to the Global Hawk RQ–4 unmanned aerial vehicle platform.

(b) REPORT AND CERTIFICATION.—

(1) STUDY.—The Secretary of Defense shall conduct a study of aerial reconnaissance platforms to determine whether the Global Hawk RQ–4 unmanned aerial vehicle has reached mission capability and has attained collection capabilities on a par with the collection capabilities of the U-2 Block 20 aircraft program as of April 1, 2006.

(2) REPORT.—The Secretary shall submit to the congressional committees specified in subsection (c) a report containing the results of the study. The Secretary shall include in the report the Secretary's determination as to whether the Global Hawk RQ–4 unmanned aerial vehicle—

(A) has reached mission capability; and

(B) has attained collection capabilities on a par with the collection capabilities of the U-2 Block 20 aircraft program as of April 1, 2006.

(3) CERTIFICATION.—The Secretary shall include with the report the Secretary's certification, based on the results of the study, as to whether or not there would be a loss of national or Department of Defense intelligence, surveillance, and reconnaissance capabilities with a transition from the U–2 aircraft program to the Global Hawk RQ–4 unmanned aerial vehicle platform.

(c) SPECIFIED COMMITTEES.—The congressional committees specified in this subsection are the following:

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

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

SEC. 502. EXTENSION OF NATIONAL COMMISSION FOR REVIEW OF RESEARCH AND DEVELOPMENT PROGRAMS OF THE UNITED STATES INTELLIGENCE COMMUNITY.

(a) EXTENSION.—

(1) IN GENERAL.—Section 1007(a) of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107-306; 50 U.S.C. 401 note) is amended by striking "September 1, 2004" and inserting "September 1, 2008".

(2) EFFECTIVE DATE.—The amendment made by subsection (a)(1) shall take effect as if included in the enactment of section 1007 of the Intelligence Authorization Act for Fiscal Year 2003.

(b) FUNDING.—

(1) IN GENERAL.—Of the amounts authorized to be appropriated by this Act for the Intelligence Community Management Account, the Director of National Intelligence shall make $2,000,000 available to the National Commission for the Review of the Research and Development Programs of the United States Intelligence Community (in this subsection referred to as the "Commission") established under section 1002(a) of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107-306; 116 Stat. 2438; 50 U.S.C. 401 note) to carry out title X of such Act.

(2) AVAILABILITY.—Amounts made available to the Commission under paragraph (1) shall remain available until expended.

Subtitle B—Technical Amendments

SEC. 511. TECHNICAL AMENDMENTS RELATING TO THE MULTIYEAR NATIONAL INTELLIGENCE PROGRAM.

(a) IN GENERAL.—Subsection (a) of section 1403 of the National Defense Authorization Act for Fiscal Year 1991 (50 U.S.C. 404b) is amended—

(1) in the subsection heading, by striking "FOREIGN"; and

(2) by striking "foreign" each place it appears.

(b) RESPONSIBILITY OF DNI.—That section is further amended—

(1) in subsections (a) and (c), by striking "Director of Central Intelligence" and inserting "Director of National Intelligence"; and

(2) in subsection (b), by inserting "of National Intelligence" after "Director".

(c) CONFORMING AMENDMENT.—The heading of that section is amended to read as follows:

"SEC. 1403. MULTIYEAR NATIONAL INTELLIGENCE PROGRAM.".

SEC. 512. TECHNICAL CLARIFICATION OF CERTAIN REFERENCES TO JOINT MILITARY INTELLIGENCE PROGRAM AND TACTICAL INTELLIGENCE AND RELATED ACTIVITIES.

Section 102A of the National Security Act of 1947 (50 U.S.C. 403–1) is amended—

(1) in subsection (c)(3)(A), by striking "annual budgets for the Joint Military Intelligence Program and for Tactical Intelligence and Related Activities" and inserting "annual budget for the Military Intelligence Program or any successor program or programs"; and

(2) in subsection (d)(1)(B), by striking "Joint Military Intelligence Program" and inserting "Military Intelligence Program or any successor program or programs".

SEC. 513. TECHNICAL AMENDMENTS TO THE NATIONAL SECURITY ACT OF 1947.

The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended—

(1) in section 102A (50 U.S.C. 403–1)—

(A) in subsection (c)(7)(A), by striking "section" and inserting "subsection";

(B) in subsection (d)—

(i) in paragraph (3), by striking "subparagraph (A)" in the matter preceding subparagraph (A) and inserting "paragraph (1)(A)"; and

(ii) in paragraph (5)(A), by striking "or personnel" in the matter preceding clause (i);

(C) in subsection (l)(2)(B), by striking "section" and inserting "paragraph"; and

(D) in the heading of subsection (n), by striking "ACQUISITION AUTHORITIES" and inserting "ACQUISITION AND OTHER AUTHORITIES"; and

(2) in section 119(c)(2)(B) (50 U.S.C. 404o(c)(2)(B)), by striking "subsection (h)" and inserting "subsection (i)".

SEC. 514. TECHNICAL AMENDMENTS TO THE INTELLIGENCE REFORM AND TERRORISM PREVENTION ACT OF 2004.

(a) AMENDMENTS TO NATIONAL SECURITY INTELLIGENCE REFORM ACT OF 2004.—The National Security Intelligence Reform Act of 2004 (title I of Public Law 108–458) is amended as follows:

(1) In section 1016(e)(10)(B) (6 U.S.C. 485(e)(10)(B)), by striking "Attorney General" the second place it appears and inserting "Department of Justice".

(2) In section 1061 (5 U.S.C. 601 note)—

(A) in subsection (d)(4)(A), by striking "National Intelligence Director" and inserting "Director of National Intelligence"; and

(B) in subsection (h), by striking "National Intelligence Director" and inserting "Director of National Intelligence".

(3) In section 1071(e), by striking "(1)".

(4) In section 1072(b), by inserting "AGENCY" after "INTELLIGENCE".

(b) OTHER AMENDMENTS TO INTELLIGENCE REFORM AND TERRORISM PREVENTION ACT OF 2004.—The Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108–458) is amended as follows:

(1) In section 2001 (28 U.S.C. 532 note)—

(A) in subsection (c)(1), by inserting "of" before "an institutional culture";

(B) in subsection (e)(2), by striking "the National Intelligence Director in a manner consistent with section 112(e)" and inserting "the Director of National Intelligence in a manner consistent with applicable law"; and

(C) in subsection (f), by striking "shall," in the matter preceding paragraph (1) and inserting "shall".

(2) In section 2006 (28 U.S.C. 509 note)—

(A) in paragraph (2), by striking "the Federal" and inserting "Federal"; and

(B) in paragraph (3), by striking "the specific" and inserting "specific".

SEC. 515. TECHNICAL AMENDMENTS TO THE EXECUTIVE SCHEDULE.

(a) EXECUTIVE SCHEDULE LEVEL II.—Section 5313 of title 5, United States Code, is amended by striking the item relating to the Director of Central Intelligence and inserting the following new item:

"Director of the Central Intelligence Agency.".

(b) EXECUTIVE SCHEDULE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by striking the item relating to the General Counsel of the Office of the National Intelligence Director and inserting the following new item:

"General Counsel of the Office of the Director of National Intelligence.".

SEC. 516. TECHNICAL AMENDMENTS RELATING TO TITLES OF CENTRAL INTELLIGENCE AGENCY POSITIONS.

Section 17(d)(3)(B)(ii) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403q(d)(3)(B)(ii)) is amended—

(1) in subclause (I), by striking "Executive Director" and inserting "Associate Deputy Director";

(2) in subclause (II), by striking "Deputy Director for Operations" and inserting "Director of the National Clandestine Service"; and

(3) in subclause (IV), by striking "Deputy Director for Administration" and inserting "Director for Support".

SEC. 517. TECHNICAL AMENDMENTS RELATING TO REDESIGNATION OF THE NATIONAL IMAGERY AND MAPPING AGENCY AS THE NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY.

(a) TITLE 5, UNITED STATES CODE.—(1) Title 5, United States Code, is amended by striking "National Imagery and Mapping Agency" each place it appears in a provision as follows and inserting "National Geospatial-Intelligence Agency":

(A) Section 2302(a)(2)(C)(ii).
(B) Section 3132(a)(1)(B).
(C) Section 4301(1) (in clause (ii)).
(D) Section 4701(a)(1)(B).
(E) Section 5102(a)(1) (in clause (x)).
(F) Section 5342(a)(1)(K).
(G) Section 6339(a)(1)(E).
(H) Section 7323(b)(2)(B)(i)(XIII).

(2) Section 6339(a)(2)(E) of such title is amended by striking "National Imagery and Mapping Agency, the Director of the National Imagery and Mapping Agency" and inserting "National Geospatial-Intelligence Agency, the Director of the National Geospatial-Intelligence Agency".

(b) TITLE 44, UNITED STATES CODE.—(1)(A) Section 1336 of title 44, United States Code, is amended by striking "National Imagery and Mapping Agency" both places it appears and inserting "National Geospatial-Intelligence Agency".

(B) The heading of such section is amended to read as follows:

"§ 1336. National Geospatial-Intelligence Agency: special publications".

(2) The table of sections at the beginning of chapter 13 of such title is amended by striking the item relating to section 1336 and inserting the following new item:

"1336. National Geospatial-Intelligence Agency: special publications.".

(c) HOMELAND SECURITY ACT OF 2002.—Section 201(f)(2)(E) of the Homeland Security Act of 2002 (6 U.S.C. 121(f)(2)(E)) is amended by striking "National Imagery and Mapping Agency" and inserting "National Geospatial-Intelligence Agency".

(d) INSPECTOR GENERAL ACT OF 1978.—Section 8H of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking "National Imagery and Mapping Agency" each place it appears and inserting "National Geospatial-Intelligence Agency".

(e) ETHICS IN GOVERNMENT ACT OF 1978.—Section 105(a)(1) of the Ethics in Government Act of 1978 (5 U.S.C. App.) is amended by striking "National Imagery and Mapping Agency" and inserting "National Geospatial-Intelligence Agency".

(f) OTHER ACTS.—(1) Section 7(b)(2)(A)(i) of the Employee Polygraph Protection Act of 1988 (29 U.S.C. 2006(b)(2)(A)(i)) is amended by striking "National Imagery and Mapping Agency" and inserting "National Geospatial-Intelligence Agency".

(2) Section 207(a)(2)(B) of the Legislative Branch Appropriations Act, 1993 (44 U.S.C. 501 note) is amended by striking "National Imagery and Mapping Agency" and inserting "National Geospatial-Intelligence Agency".

PURPOSE

The purpose of H.R. 2082 is to authorize the intelligence and intelligence-related activities of the United States Government for FY 2008 in order to enhance the national security of the United States, to support and assist the armed forces of the United States, and to support and oversee the President's execution of the foreign policy of the United States. The bill also clarifies certain Intelligence

Community authorities and makes technical corrections to existing statutes.

CLASSIFIED ANNEX AND COMMITTEE INTENT

The classified annex to this report includes the classified Schedule of Authorizations and its associated explanatory language. The Committee views the classified annex as an integral part of this legislation. The classified annex contains a thorough discussion of the issues considered by the Committee underlying the funding authorizations 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 accordance with the guidance and limitations set forth as associated language therein. The classified Schedule of Authorizations 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 14 of the Rules of Procedure for the House Permanent Select Committee on Intelligence. In addition, Section 105 of the bill incorporates reporting requirements of the Classified Annex and any Joint Explanatory Statement into the Act.

SCOPE OF COMMITTEE REVIEW

The bill authorizes U.S. intelligence and intelligence-related activities under the jurisdiction of the Committee, including the National Intelligence Program (NIP), the Military Intelligence Program (MIP), and the Information System Security Program (ISSP). The NIP consists of all activities of the Office of the Director of National Intelligence, as well as national foreign intelligence, intelligence-related, and/or counterintelligence activities conducted by: (1) the Central Intelligence Agency; (2) the Department of Defense; (3) the Defense Intelligence Agency; (4) the National Security Agency; (5) the Departments of the Army, Navy, and Air Force; (6) the Coast Guard; (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 Drug Enforcement Administration; (13) the National Reconnaissance Office; (14) the National Geospatial-Intelligence Agency; and (15) the Department of Homeland Security. The Committee has exclusive legislative, authorizing and oversight jurisdiction of these programs.

COMMITTEE STATEMENT AND VIEWS

A. OVERVIEW

The change in leadership of the Congress, coupled with the appointment of a new Director of National Intelligence (DNI) in early 2007, provides a fresh opportunity for assessing the work of America's Intelligence Community.

On a bipartisan basis, Members of the Committee have spent countless hours in briefings, hearings, and field visits with the professionals who comprise the Intelligence Community. The Committee is consistently impressed with their patriotism, dedication to

mission, and commitment to doing our nation's most sensitive—and dangerous—business, often without public acknowledgment or recognition.

More than five years after the attacks of September 11, 2001, no one disputes the importance that good intelligence plays in protecting American lives. Intelligence assessments also play a pivotal role in informing policymakers as they grapple with monumental decisions about war and peace. And, as we tragically learned in the context of the Iraq war, faulty intelligence or the distortion of the intelligence process can lead to disastrous consequences for the nation.

Today, the United States faces a dynamic set of threats, challenges, and opportunities. The pressing challenges of Iraq, Afghanistan, and Al Qa'ida, as well as other long-term problems, have been the subject of multiple Committee hearings in the 110th Congress.

Each of these problems requires an integrated, focused intelligence capability. Two years ago, Congress established the Director of National Intelligence and reshaped the U.S. Intelligence Community. Today, that reorganization has clearly yielded some important benefits to U.S. national security, but serious challenges remain.

Specifically, the Committee recognizes the important innovation of providing intelligence from across the Community to the President and senior policymakers in their daily briefings. As a result, analysis has become more careful and more integrated. The Committee also applauds the efforts to integrate intelligence collection by the Mission Managers—particularly those for Iran and North Korea—and by other elements of the DNI staff to hone the process of developing analysis-driven collection requirements to fill key intelligence gaps.

The Committee has been less impressed with the effort to restrain the growth of the DNI's office into a new layer of bureaucracy. The recent 100-day agenda released by the DNI contained a great deal of bureaucratic verbiage but failed to articulate a clear and compelling plan for addressing chronic problems plaguing the Intelligence Community, such as deficiencies in foreign language capability, lack of diversity, information-sharing impediments, overclassification, and the lack of common security clearance practices.

The Committee believes the President has appointed a seasoned intelligence professional as DNI. The new Director has both the experience and the acumen needed to transform the Intelligence Community and fix the long-standing tension between the Intelligence Community and the Defense Department. It is our hope that nothing will distract Director McConnell from the core task of the DNI: identifying gaps in what America knows (ranging from the whereabouts of a specific terrorist cell to the long-range intentions of a rival nation); corralling the intelligence collectors to close those gaps as quickly as possible; and applying focused analysis to provide the support that U.S. policymakers need to address national security threats.

B. THE COMMITTEE REVIEW

The Committee completed its review of the President's FY 2008 budget request, carrying out its annual responsibility to prepare an

authorization based on close examination of the U.S. government's intelligence programs and proposed expenditures.

The Committee conducted 15 formal Committee and Subcommittee budget hearings on numerous topics, including the following:

- National Intelligence Program overview
- Military Intelligence Program overview
- Facilities and Infrastructure
- Signals Intelligence
- Geospatial Intelligence
- Counterintelligence
- Integration of Domestic Intelligence
- Research & Development and Systems Acquisition
- Personnel and Security
- Human Intelligence
- All-Source Analysis and Analytic Tradecraft
- Covert Action

In addition to these formal hearings, Committee Members and staff have taken numerous budget-related briefings covering all major intelligence programs within the National Intelligence Program, the Military Intelligence Program, and the Information System Security Program.

As always, the Committee's legislative and budgetary actions are based on more than these budget-specific hearings and briefings. 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 the scores of Committee and subcommittee hearings and briefings; site visits and fact-finding trips; reviews of congressionally directed reports; and studies of intelligence capabilities, strategies, plans, and challenges throughout the year.

C. THE LEGISLATION

The bill and accompanying classified Schedule of Authorizations includes the Committee's recommended authorizations for the President's FY 2008 budget request. This includes an authorization for the intelligence portion of the FY 2008 Emergency Supplemental for funding counterterrorism operations and operations in Iraq and Afghanistan. The Committee views these funds as an integral part of the FY 2008 budget and has specifically decided to authorize these activities for the full year in this legislation at this time.

H.R. 2082 improves U.S. intelligence capabilities in several important respects.

First, the bill promotes responsible budgeting by shifting significant resources from the Supplemental request into the base budget, for both the NIP and the MIP. The Administration's over-reliance on so-called "emergency" supplemental bills has been a tactic to shield government spending from the scrutiny of the regular budget process. For years, the Committee has pressed the Administration to change this practice as it relates to easily foreseeable programs, particularly in the counterterrorism area. Shifting money from the supplemental to the base allows for operators in the field to plan operations for the year and promotes greater oversight by the Committee.

Second, the bill focuses on improving capabilities in areas of cross-community importance, such as human capital, research and development, analysis, human intelligence, counterintelligence, and acquisition management. The bill shifts resources into higher priority areas and requires the Intelligence Community to provide greater focus on areas of acute need. For example, the bill:

- Adds funds to both the General Defense Intelligence Program (GDIP) and the Central Intelligence Agency (CIA) for human intelligence (HUMINT) training;
- Forces managers of a major HUMINT initiative to develop a stronger organizational strategy for penetrating hard targets;
- Invests in language training for collectors and analysts as well as in language translation capabilities;
- Adds funding to send additional analysts overseas;
- Cuts wasteful spending on contractors at a major agency;
- Adds funds to implement the recommendations of an advisory panel that will result in a greater integration of tasking for critical overhead assets;
- Attempts to improve the chances for success of the National Security Agency's (NSA) flagship modernization program by mandating the creation of a streamlined acquisition oversight process;
- Provides for additional counterintelligence field operations, both in the Federal Bureau of Investigation (FBI) and the Department of Defense;
- Forces creation of a detailed plan to ensure coordinated, deconflicted, and prioritized Research & Development in the Intelligence Community; and
- Adds funds to develop a transition strategy between current and planned overhead collection systems to prevent a future capability gap.

Third, the bill compels the Administration to address critical overhead architecture issues that have been festering for some time and have been made worse by a series of acquisition failures. The difficult choices in this area will ensure that the Intelligence Community's limited resources are directed towards the systems that will help the U.S. to maintain its technological edge, particularly in space, and to support the full range of customers who depend upon space assets.

Finally, the bill strengthens internal and external oversight of covert action programs.

D. AREAS OF SPECIAL INTEREST

Director of National Intelligence

This year, the Committee is reviewing the DNI's second intelligence budget, and the Committee believes that this is an appropriate time to evaluate the DNI's progress in meeting the goals of the Intelligence Reform and Terrorism Prevention Act (IRTPA).

The Committee continues to be disappointed that the DNI has not assumed a more directive role in coordinating the Intelligence Community. Changing the culture of the intelligence agencies, breaking down stovepipes, and creating a unified Intelligence Community takes more than a consensus-based approach to management. Also, the Committee is concerned that the DNI has not taken

a consistent approach on whether the ODNI will serve as coordinator, or executor, of Intelligence Community functions.

The Committee is concerned that the DNI has had several false starts in meeting the goals of the IRTPA. The Committee observes that the DNI started, re-evaluated, and changed direction on both internal organization and on establishing an integrated collection architecture for the Intelligence Community. In other areas, the DNI has yet to establish community-wide requirements to measure progress. In particular, the Committee is concerned that the DNI remains unable to set goals and requirements for important skills, including foreign language capability.

The President's Domestic Surveillance Program

The Administration has proposed sweeping changes to the Foreign Intelligence Surveillance Act (FISA). The Committee is encouraged that the Administration's response to any shortcomings in the law is not circumvention of FISA but rather a legislative proposal to change FISA.

The Committee will seriously consider the Administration's FISA proposal in both open and closed hearings. We welcome proposals to ensure that the FISA system has sufficient resources to conduct surveillance on terrorists operating in the United States. We also welcome proposals to ensure that FISA is up to date and technology neutral (i.e., does not distinguish between "wire" and "radio" communications).

It is, however, also essential that FISA's original purpose be maintained: to keep national-security-related surveillance tightly focused on the people who would do America harm while protecting the 4th Amendment rights of the American people.

But before the Committee will support any change to existing law, it is essential that the President provide some measure of assurance that were he to sign a bill modifying FISA into law, he would agree to be bound by it.

The Committee believes it is essential to continue its close oversight of NSA surveillance conducted as part of the President's Domestic Surveillance Program. Although surveillance now operates under the supervision of the Foreign Intelligence Surveillance Court, to our knowledge, the actual surveillance activities have not changed. To better understand what the President authorized, the Committee will continue to urge the Executive Branch to provide the Intelligence Committees with copies of the President's authorizations for this program, as well as underlying memos explaining its legality. No serious oversight can proceed without these fundamental documents.

Detainees held by the Intelligence Community

On September 6, 2006, the President revealed the existence of a CIA program to hold and interrogate certain detainees suspected of terrorist activities. In that same announcement, the President declared that all detainees being held in the program at that time had been transferred to the U.S. Naval Base at Guantanamo Bay, Cuba, but he stated that this program would continue and that, in the future, the CIA was authorized to hold and interrogate other detainees.

This policy continues to be the subject of considerable controversy, and the Committee believes that allegations of detainee mistreatment—to include allegations of torture—have undermined the reputation of the U.S. government. The perception that the U.S. is not fully committed to the principles of the Geneva Conventions and recognized standards of humane treatment endangers U.S. military and civilian personnel around the world. The Committee believes that allowing access by an independent, impartial organization would increase confidence that U.S. treatment of detainees complies with obligations under the Geneva Conventions as well as U.S. and international law.

Accordingly, the Committee strongly urges the DNI to begin negotiations with the International Committee for the Red Cross (ICRC) on the terms and conditions under which the ICRC would be provided access to any detainee held by any element of the Intelligence Community, and to allow the ICRC access to such facilities.

The ICRC is provided access to all military detention facilities, and has demonstrated its ability to keep the records of such visits confidential. The Committee believes that the ICRC would be able to keep its visits to Intelligence Community facilities under heightened secrecy and confidentiality. The DNI should work in consultation with the Committee to develop an acceptable protocol for allowing ICRC experts to assess the conditions under which any element of the Intelligence Community is holding or interrogating any detainee.

FBI's use of national security letters

The Committee considered very carefully the March 2007 report by the Department of Justice Inspector General (IG) regarding the FBI's use of national security letters (NSLs). The report made clear that the FBI believes NSLs are vital for uncovering threats to our country's national security.

However, as many Members made clear during the Committee's March 28, 2007 hearing in open session on the IG report, the Committee is dismayed by the FBI's failure to properly oversee its use of these investigative tools. Accordingly, the Committee will continue to evaluate the use of these authorities and determine whether there is a need to modify existing legislation.

When Congress was reconsidering NSLs during the reauthorization of the USA PATRIOT Act in 2005, FBI and Justice Department officials offered assurances that the NSL authorities would be used with great care because of the potential that NSLs, if abused, could enable law enforcement officials to infringe upon Americans' civil liberties.

Despite these assurances, the Justice Department IG made clear that no effective management controls were put in place: Agents had little understanding of NSL authorities; FBI officials who were not authorized to issue NSLs sent more than 700 "exigent letters" that improperly cited an immediate threat in order to justify the provision of records; critical documents were not kept; databases were flawed; violations of law and policy were not reported as required; and the FBI's reports to Congress on its use of NSLs were inaccurate. These myriad management problems led the Inspector General to assert in congressional testimony that the FBI may

have violated the law, attorney general guidelines, or FBI policies as many as 3,000 times. While the Inspector General found no evidence of malicious or even intentional misconduct, any misuse of NSL authorities, for whatever reason, is unacceptable.

Perhaps most disturbingly, FBI officials testified that these problems might not have been uncovered were it not for the congressionally mandated Inspector General's inquiry. This assessment demonstrates the need for outside oversight of NSLs, as well as the need for improvement in the FBI's ability to police itself.

The FBI and Justice Department have pledged to take many corrective measures to address the problems uncovered in the IG's report, to include an internal investigation to determine where the Bureau failed and to assess accountability for these failures. The Committee directs the FBI Director to provide the FBI's report of this investigation, upon completion, to the Committee and to inform the Committee of all corrective measures it takes as a result of this investigation.

FBI officials also asserted that the Bureau is developing a computer system that will automate many administrative aspects of NSL requests to prevent mistakes, to ensure compliance with law, policy, and regulations, and to guarantee accurate reports to Congress. The Committee requests that the FBI provide quarterly briefings on the status of the development and deployment of this computer system beginning in the first quarter of FY 2008 and continuing until the system has been fully operational for at least one year.

Counterintelligence

The Committee believes that the nation's management of its counterintelligence services is in need of significant reform. Although the nation's vulnerability to foreign intelligence collection efforts stems from a variety of factors, the Committee believes that one of the primary factors is insufficient coordination of the nation's counterintelligence activities at the national level.

The Congress and the President created the office of the National Counterintelligence Executive (NCIX) to coordinate the nation's disparate counterintelligence functions and to establish a national policy for counterintelligence. After nearly five years in operation, the NCIX has yet to fulfill its initial mandates. As a result, the nation's counterintelligence activities suffer from redundant structures, inconsistent and sometimes insufficient training, and a decentralized approach to carrying out the nation's counterintelligence strategy that leaves no one person in charge and, therefore, leaves no one person directly responsible for its failures when they occur.

When management failures do occur in counterintelligence they can have a dramatic impact on both the national security of the country and the civil liberties of U.S. citizens. For example, the Privacy and Civil Liberties Oversight Board recently confirmed that the Defense Department's failure to properly manage the Counterintelligence Field Activity's (CIFA) TALON database led to the inappropriate collection and retention of information on U.S. persons. Although the Committee is encouraged by recent reports that the Defense Department intends to shut down TALON, the fact remains that the management structures in place failed the Amer-

ican people by establishing a system that allowed for such wrongdoing to occur in the first place.

There are positive signs of reform within the nation's counterintelligence activities. The office of the NCIX has been reinvigorated by the work of its new Director and by the DNI's designation of the NCIX as the Intelligence Community's Mission Manager for Counterintelligence. Also, the Defense Department recently named a new Director of CIFA and is undertaking a wholesale review of CIFA's activities to determine whether it is carrying out its missions and operating within its mandate.

In its bill, the Committee has made specific authorizations that bolster the nation's counterintelligence efforts, including an increase to the resources available for conducting traditional counterintelligence functions. Also, in order to more properly exercise its oversight responsibilities over counterintelligence, the Committee intends to engage in a comprehensive review of the nation's counterintelligence effort. The Committee's first step in this review is to request a report on the full scope of the nation's counterintelligence capabilities. The Committee's specific authorizations and its request for a report on the nation's counterintelligence capabilities are set forth more fully in the classified annex to this bill.

Financial statement auditability

The Committee appreciates the comprehensive report delivered by the DNI on the status of financial statement auditability in the Intelligence Community and the accompanying plan for each intelligence agency to achieve a "clean" audit. The Committee is extremely disappointed that, according to current projections, this goal will not be reached until 2011, despite the intensified leadership focus on this issue under the new DNI. The Committee understands that the inability to achieve a clean audit does not mean that the intelligence agencies are failing to conduct responsible accounting for their funds. Rather, the problem is that certain aspects of intelligence agencies' financial management processes prevent them from getting a clean opinion. Nevertheless, the Committee views it as extremely important for the Intelligence Community to abide by the same accounting standards as the rest of the federal government and urges the DNI to accelerate this timeline with the submission of the FY 2009 budget.

The ODNI has identified three key areas that are preventing the Intelligence Community agencies from achieving clean audits: (1) Fund Balance with Treasury (FBwT); (2) Property, Plant and Equipment (PP&E) issues; and (3) Intragovernmental Transactions (IGT).

With respect to PP&E issues, the problem is that the Intelligence Community agencies' antiquated PP&E "feeder systems" were not designed to accumulate the required cost data for the balance sheet. With the exception of one sensitive CIA issue (which may be more a matter of policy than finance), the Intelligence Community's PP&E challenges are within the DNI's power to fix and can be resolved through hard work and sharing of best practices.

The other two issues—FBwT and IGT—are problems for those intelligence agencies that reside within the Department of Defense, and these cannot be resolved without the cooperation of the Department itself. Because of systemic problems with the Defense Fi-

nance and Accounting System that will certainly not be resolved within the next five years, NSA, NGA and DIA are unable to reconcile their FBwT or their IGT transactions, both of which are prerequisites to achieving a clean audit.

The DNI reports that it is working with the Defense Department to implement solutions to these problems by allowing intelligence agencies to reconcile their fund balance directly with the Department of the Treasury, and to create a zero-balance account to allow proper reconciliation of Military Inter-Departmental Purchase Requests. Given the fact that the Intelligence Community cannot achieve the congressional directive for auditability without these accommodations, the Committee directs the DNI to submit a report by September 1, 2007, on the progress of these negotiations with the Defense Department and whether or not appropriate "fixes" will be implemented at the beginning of FY 2008, as laid out in the DNI's plan. In the meantime, the DNI is urged to accelerate work on the PP&E issue and advise the Committee if a legislative solution is required for the CIA in the FY 2009 intelligence authorization bill.

Al Qa'ida

The Committee is not satisfied with efforts to defeat the al Qa'ida network. Al Qa'ida's leaders—Osama Bin Laden and Ayman al Zawahiri—remain at large. Key operatives in the terrorist network continue to operate from Pakistan and Afghanistan. Perhaps most disturbingly, the Al Qa'ida "brand" appears to be growing in strength, as evidenced by the 2007 North Africa attacks by the newly named "Al Qa'ida in the Maghreb."

The Committee is also concerned that, as intelligence requirements have grown for Iraq, resources have been drained from the global fight against Al Qa'ida.

Iraq

The January 2007 Iraq National Intelligence Estimate (NIE) included several unclassified Key Judgments that identified a wide range of political, social, economic, and security conditions that will, in the Intelligence Community's collective judgment, lead the security situation in Iraq to continue to deteriorate.

The NIE provided some important insights; however, the Committee believes that the NIE did not adequately address the likelihood that increased coalition military activities in Baghdad could lead to an increase in violence elsewhere in the country—a phenomenon which appears to have occurred as the Baghdad security plan began to be implemented in the Spring of 2007.

The Committee is also disappointed that the NIE assessed the security implications of a rapid withdrawal of U.S. forces but failed to evaluate the impact of a gradual drawdown of troops, along the lines of proposals endorsed by a majority of Congress. The NIE's assessment of only the most extreme troop redeployment option available presented the impression that the United States has an "all or nothing" choice between current troop levels or total rapid withdrawal. If the Intelligence Community offers assessments of the impact that U.S. government policy decisions may have on stability in Iraq, it should offer a nuanced analysis of the several al-

ternatives actually under consideration, not solely the most extreme and unlikely option.

Iran and North Korea

Iran and North Korea currently represent perhaps the most serious strategic threats to the United States and to U.S. interests.

Iran is widely believed to be developing a nuclear weapon in violation of its international agreements; providing support to terrorist groups, like Hezbollah, that undermine regional stability; and contributing to sectarian strife and supporting armed insurgents in Iraq. Its military activities in the Arabian Gulf—highlighted by its capture of British sailors and marines in March 2007—threaten U.S. allies in the region and undermine international commerce. Finally, its geopolitical position in the region has undoubtedly been strengthened by the U.S.-led removal of rival regimes in countries to its east and west, transforming Iran into a regional hegemon.

North Korea is a heavily militarized state that recently tested a nuclear weapon; continues efforts to enhance its nuclear arsenal; proliferates WMD-related weapons technologies; and poses a serious threat to South Korea, a close U.S. ally, with its conventional munitions alone. The fact that North Korea is perhaps the most closed and isolated society in the world means that Pyongyang and the West each lack the cultural and political understanding to interpret the other's actions accurately. This means that a small-scale incident could potentially escalate into an armed conflict that engulfs all of east Asia.

The Committee has closely followed the efforts of U.S. intelligence agencies to improve the quality of its analysis and collection capabilities on both countries and will continue to do so. A regular and structured reporting requirement will help ensure that policymakers are receiving the intelligence needed to thoroughly understand the nature of the threat emanating from Iran and North Korea.

The existence of a nuclear-armed North Korea and the prospect of a nuclear-armed Iran are the gravest elements of the threats posed by these regimes. Though the Intelligence Community has made great improvements in analytic tradecraft since its shortcomings were identified in the WMD Commission report, the Committee is concerned that its analysis on these weapons programs—particularly given the dearth of reliable information—could easily fall victim to groupthink, political pressure, or acquiescence to conventional wisdom.

Latin America

In the past several years, a number of Latin American countries have experienced significant political and economic upheavals that affect U.S. interests, and the Committee is not convinced that the Intelligence Community has effectively allocated its resources to address these changes. The Committee intends to examine the Intelligence Community's ability to understand and manage the challenges emanating from Latin America, as well as its ability to address the region strategically.

Venezuela and Cuba present the two greatest challenges to U.S. interests in the hemisphere. President Hugo Chavez of Venezuela

has made rabid anti-Americanism a cornerstone of his rule, and he has helped export this sentiment to new regimes in Bolivia, Ecuador, and elsewhere. Cuba—whose leader, Fidel Castro, has recently suffered serious health problems—will possibly experience momentous change that could reverse almost five decades of Cuban hostility to the United States. The Committee was pleased that the previous DNI created a Mission Manager to address cross-agency intelligence collection and analysis challenges presented by these two countries and hopes the DNI takes the needed steps to identify and appoint a successor. The Committee expects to have a regular and ongoing dialogue with the new Mission Manager on Intelligence Community efforts to better understand the challenges posed by these two nations.

At the same time, a number of threats to U.S. interests from Latin America seem impervious to change. Despite years of U.S. assistance that bolstered the capabilities of Colombia's security forces and produced some short-term successes, Colombia continues to suffer from the ravages of coca cultivation and the violence it engenders—to include concerns about possible human rights violations at the hands of government officials. Few strategic victories have been won against the drug traffickers and paramilitaries, in part because of extensive government corruption and a thriving world narcotics market. Similarly, the Committee is concerned that the tri-border area where Argentina, Paraguay, and Brazil intersect remains a center of illicit finance, smuggling and terrorist-related activities, despite efforts by the countries of the region to understand and control these developments.

The Committee intends to examine the ways in which the Intelligence Community has approached threats from this region to determine how it might improve its understanding of these issues.

Sub-Saharan Africa

Committee Members and staff have traveled to numerous countries in sub-Saharan Africa in the past few years, and the Committee has held a wide range of briefings and other discussions on countries in the region. The Committee believes that interagency coordination on sub-Saharan Africa is flawed and that the Intelligence Community needs to realign its collection, analytic, and linguistic resources to better understand the threats emanating from this region.

Included among the myriad challenges that Africa poses to U.S. and regional security are the growth of Islamic extremism; proliferation; armed conflict; humanitarian disasters, some of which, such as the crisis in Darfur, stem from state-sponsored genocide; failed states; and the establishment of ungoverned spaces and terrorist safe havens, in which terrorists' exploitation of weak laws and weak or non-existent government institutions allow them to move money, people, and weapons. Though the Intelligence Community must address a wide range of threats that often seem more critical than the challenges posed by events and trends in Africa, the Committee believes that an improvement in Intelligence Community expertise in this region is required to address potentially serious threats from that region. The Committee will closely scrutinize the Community's Africa posture during the 110th Congress.

American citizens detained abroad

The Committee expresses its concern at the delay in provision of consular services to Amir Mohamed Meshal—an American citizen who fled Somalia in January 2007—while he was detained in both Kenya and Ethiopia. It is the view of the Committee that—in order to ensure that the rights of American citizens are protected—all officers of U.S. government agencies have a duty to notify the local U.S. ambassador or chief of mission as soon as they learn of the detention abroad of an American citizen.

Space acquisition programs—personnel

The Committee is concerned about the career management of uniformed acquisitions personnel assigned to the National Reconnaissance Office (NRO)—particularly those from the Air Force, who make up the vast majority of military personnel assigned to NRO. The Committee believes that strong space acquisition programs require depth of expertise and continuity within the space systems acquisition workforce.

The establishment of the Space Professional Development Program Certification standards and the creation of the Space Assignment Advisory Board (SAAB) are encouraging steps toward providing better management of the Air Force space cadre. The Committee hopes that the SAAB and the Space Professional Management Office will have the authority to manage assignments based on the needs of space acquisition programs, while promoting space expertise within all acquisition and space-related specialties. Furthermore, given the particular importance of having qualified Air Force personnel working on NRO programs, the Committee is pleased with the assignment of a senior Air Force officer to the new NRO Deputy Director position. The Committee trusts that the officers who hold this position will serve as strong advocates for the personnel professionalization needs of the NRO and for the development of space expertise within the acquisition workforce.

The Committee remains concerned, however, that although the military spends time and resources to educate and train members of the space cadre, it does not appear to make every attempt to ensure that this workforce remains in space-related assignments for the majority of their careers. The Committee believes that there is significant value in having space acquisition professionals who spend the vast majority of their careers working in space-related assignments. Conceptually, this runs counter to standard Air Force assignment policies, but may be necessary for the proper development of our national overhead systems.

The Committee urges the Department of Defense, and, in particular the Secretary of the Air Force, to give serious consideration to not only allowing, but encouraging members of the uniformed space cadre to, over the course of their careers, gain both depth and breadth of experience from a focused set of assignments within the space field. In this respect, the Committee awaits the results of the review commissioned in the Fiscal Year 2007 National Defense Authorization Act to study the feasibility of a specialized career field for military space acquisitions personnel.

The Committee is also concerned that the NRO, and its nationally critical systems development, acquisitions, and operations, may be negatively impacted by the Air Force's pending force reduction.

The Committee encourages the DNI, in coordination with the Director of the NRO and the Chief of Staff of the Air Force, to determine what, if any, impact the Air Force changes in workforce and manning will have on the NRO mission, and establish a mitigation plan as necessary. The Committee requests to be informed of any plan or the results of any review that addresses these issues.

Major systems acquisitions

The Committee is concerned with the state of acquisition of major systems across the Intelligence Community and applauds the ODNI for standing up a Deputy Director of National Intelligence for Acquisition to provide additional guidance in that sector. The Committee appreciates and acknowledges the effort put forth in preparing the DNI's 2006 Annual Report to Congress on Intelligence Community Program Management Plans, the first such report to assess performance of major acquisition programs across the National Intelligence Program. Through this report, the DNI established a baseline against which future performance can be measured and through which major programs can be tracked over time. The Committee believes that, had this assessment been performed effectively in the past, many of the Intelligence Community's acquisition troubles could have been uncovered earlier.

Good project management is essential to successful acquisition programs. While the Committee encourages the use of whatever tools and training are available to teach the fundamentals of project management, the Committee has observed that classroom training alone—in the absence of on-the-job training and mentoring—yields limited success. Therefore, as part of its acquisition coordination, the Committee recommends that the DNI require each agency to review their preparation of future acquisition leaders and optimize the use of successful techniques, such as mentoring programs.

Because of the significant cost and technical impact of acquisition failures, the Committee encourages the DNI to formalize a policy to link poor acquisition performance by the contractor workforce to the withholding of award incentives for the contractor. Such a link would underscore the expectations for contractor acquisition personnel.

In light of highly publicized cost overruns and schedule slips, the Committee expects the DNI to use the results of its annual report to help reform acquisition across the Intelligence Community. Specifically, if common practices lead to troubled acquisitions, the Committee expects the DNI to recommend community-wide changes to reduce reliance on these practices. Similarly if common practices lead to successful acquisitions, the Committee expects the DNI to recommend community-wide changes to encourage these practices.

The Committee appreciates the observations and findings presented in the annual report, as many of these align with what the Committee has observed in its oversight of the Intelligence Community. The Committee strongly encourages the DNI to scrutinize the use of contractors in major systems acquisitions. The Committee agrees with the contractor assessments provided in the report, but would also like to more fully understand the impact of corporate mergers—specifically of System Engineering/Integration

support companies with development/manufacturing companies—and the effectiveness of firewalls that separate merged corporate entities. The Committee directs the DNI to provide this assessment in a report to be submitted within 120 days of enactment of this Act.

Finally, the Committee is concerned with the fast rotation timelines for acquisition program managers. The Committee urges the DNI to review its program management data to assess impacts caused by acquisition personnel having tenures shorter than three years and impacts from personnel changes with insufficient overlap. The findings from such a review should be shared with the Intelligence Community.

Advanced research and development

The Committee is concerned that, within the Intelligence Community, an increased focus on solving near-term problems has left insufficient funds available to address long-term challenges. Citing a need for more cutting-edge, long-term or basic research, the ODNI notified Congress in January 2007 of its desire to establish the Intelligence Advanced Research Projects Activity (IARPA). The DNI proposed that IARPA assume financial and scientific management of basic research currently performed at the individual agencies in order to better align all activities with the DNI's long-term research strategy.

While the Committee agrees that there is a need to promote basic research, there is concern about the construct chosen for IARPA and whether it is the best option for the Intelligence Community. Adding to this concern, the DNI has provided only limited details on how IARPA will function within the Intelligence Community. Noticeably absent from this proposal is any discussion of the likely impact on existing Intelligence Community research entities as a result of their proposed merger under IARPA. Also missing is any detail on how a director will be chosen or on what qualifications are required for that position.

Given the importance of research in the Intelligence Community, it is critical that the DNI have a plan not only to protect current research activities but also to align future research according to a long-term research strategy. It is also critical that the DNI select a well-recognized leader and manager with research experience to direct IARPA.

The Committee believes that the ODNI is essential to the coordination and de-confliction of intelligence research. The Committee observes that the plan for IARPA appears to be execution-oriented. In this, it seems inconsistent with the coordination and de-confliction role originally intended for the ODNI. Because of this inconsistency, and because of the lack of detailed planning discussed above, the Committee has removed scientific and financial management of Intelligence Community research centers from under IARPA and has designated specific funding to protect these centers. The Committee has also fenced a portion of the funds requested for new initiatives until details are provided on the way ahead for research in the Intelligence Community and on IARPA's specific role in that effort.

Intelligence program management

The Committee notes with some distress that both Intelligence Community acquisition and intelligence program management have recently suffered serious disappointments. Despite increasing attention from this Committee, the Intelligence Community has failed to develop internal standards, practices, and procedures to ensure that program risk is managed with adequate attention devoted to cost, schedule, and performance.

Many programs managed by intelligence agencies are over cost, behind schedule, and have failed to achieve key performance parameters. The Committee is frustrated by delays in notifying Congress that major programs have failed to adhere to planned development milestones. By the time the Committee learns of program failure, the program has already expended millions of dollars.

In order to remedy this issue, the Committee directs the ODNI to develop in consultation with the Committee a program notification standard to keep the Committee fully informed of program issues. The Nunn-McCurdy amendment to the Department of Defense Authorization Act for fiscal year 1982 provides an example of the standard the Committee is requesting. For example, the DNI should develop guidance for program managers to ensure congressional notification of total program acquisition unit costs for each major intelligence program on the last day of each fiscal quarter. The policy should also include a requirement to notify the Committee if the DNI has reason to believe the program will exceed the authorized funding by a specific percentage. The Committee requests that this policy be reported to the Committee no later than December 1, 2007.

Diversity in the intelligence community

It is clear that the Intelligence Community suffers from a lack of diversity. The DNI acknowledges that Intelligence Community must address this shortfall to protect our national security. Critical shortfalls also exist in language capability and cultural understanding for countries in Asia and the Middle East that pose continuing security challenges.

Pursuant to statutory mandate, the Intelligence Community has submitted annual reports on workforce diversity. Sadly, the Intelligence Community is still far short of the mark on diversity. In the FY 2006 Intelligence Community diversity report, the DNI reported that minority representation in the Intelligence Community was 21%—far less than the 37% of the overall U.S. population. Similarly, women comprise 39% of the Intelligence Community workforce compared to 51% of the overall U.S. population. Despite increased hiring of women and minorities, Intelligence Community core mission areas, senior grades and management ranks fail to reflect the diversity of our country.

Unfortunately, the DNI's actions to address the lack of diversity have been slow, limited, and ineffective. Improving diversity is not a mission limited to the Equal Employment Opportunity offices of the various agencies, but must be infused throughout leadership efforts in the Intelligence Community. For example, the DNI's Strategic Human Capital Plan does not identify concrete steps to improve diversity in any of its reforms. The Committee is concerned

that some human capital reforms may, in fact, undermine the limited, ongoing diversity efforts.

While the Committee commends the DNI's decision to retain the Diversity Senior Advisory Panel for the Intelligence Community (DSAPIC), the Committee is concerned that the DNI has not made sufficient progress in acting on that panel's 2004 recommendations. Although the panel recommended that agency directors set measurable diversity objectives to serve as the basis for evaluating performance and to submit those plans to the DNI within six months, these plans have not yet been submitted. The DNI has failed to complete its Community-wide assessment of knowledge, skills, abilities, and talents needed for the Intelligence Community workforce.

The Committee encourages the DNI's efforts to get senior leaders in the Intelligence Community to take ownership of diversity efforts by their respective agencies. The Committee is aware that the EEO and Diversity Office in the DNI has provided agency leaders with the results of the Annual Report on Hiring and Retention of Minority Employees in the Intelligence Community, and produced a box score on diversity to show these leaders where their agencies stand in comparison to each other on hiring, representation, retention, attrition, and promotion of women, minorities, and persons with disabilities.

The Committee notes that these box scores only compare the agencies to each other, and do not demonstrate the true lack of diversity in the Intelligence Community in comparison to the federal and civilian workforces nor in comparison to U.S. census data. If the DNI is serious about building a workforce that looks like America, then the leaders of the Intelligence Community must know how their workforce compares to the population as a whole, not just to other agencies.

While the Committee welcomes the use of affinity groups to encourage diversity in the Intelligence Community, this approach is insufficient. University efforts cannot rest solely on the shoulders of individuals who represent these diverse groups. Each leader and manager in the Intelligence Community bears responsibility for diversity. These efforts should be visible, specific, personal, and persistent.

The Committee encourages the DNI to develop, as a core part of its strategic plan, a training program for managers and senior intelligence executives in diversity awareness, and to make such training mandatory upon promotion to those positions. In the same way that the military's joint duty assignment policy ensures that senior military leaders are aware of different organizational cultures, the DNI should ensure that the intelligence agencies' senior leaders are aware of diversity goals and the challenges that each agency faces.

In addition, the DNI should ensure that agency managers are held accountable for diversity within their organizations. In developing performance measurements for managers, the DNI should include metrics for how well those managers support and encourage diversity within their organizations, especially in core mission areas. The Committee further urges the DNI to establish a structured mentorship program to pair senior leaders with minority protégés.

Pay for performance system

The Committee is concerned that the DNI is moving forward aggressively on implementation of the pay-for-performance system to replace the existing General Schedule Civil-Service System. The DNI is pushing implementation before this system has been designed, before it has been reviewed by the appropriate oversight committees, and before it has the necessary personnel tracking tools developed and in place. While the Committee supports the goal of rewarding performance, proper oversight and safeguards must be in place before allowing such a radical change to the Community's personnel management.

The Comptroller General of the Government Accountability Office (GAO) has testified that federal agencies should not implement pay-for-performance systems until they have met four requirements: "(1) a strategic human capital planning process linked to the agency's overall strategic plan; (2) capabilities to design and implement a new human capital system effectively; (3) a modern, effective, credible, and validated performance management system that provides a clear linkage between institutional, unit, and individual performance-oriented outcomes, and results in meaningful distinctions in ratings; and (4) adequate internal and external safeguards to ensure the fair, effective, and non-discriminatory implementation of the system."

Developing the wrong performance measurements could undermine the Intelligence Community. Performance measurements in a pay-for-performance system could easily have the unintended consequence of rewarding the wrong kinds of performance, especially in an area where success may be difficult to quantify. A pay-for-performance system could impose pressures on collectors and analysts to produce quantity instead of quality. Analysts could feel pressure to make their analysis conform with the views of their managers or risk loss of income. Collectors might shift their focus to projects that yield results within their pay period, rather than focusing projects that might take longer to yield results. Further, it is unclear how a pay-for-performance system would reward teamwork and collaboration rather than individual performance.

The Committee is also concerned that the pay-for-performance plan under consideration by the Office of the DNI does not have sufficient safeguards to protect the rights of employees.

DNI witnesses have testified that the pay-for-performance system will have safeguards. However, the Committee has yet to see the details of such safeguards. Any system must have internal and external safeguards to protect employees from cronyism, discrimination, harassment, partisan pressures, or arbitrary and capricious management.

In particular, the Committee is concerned that without proper safeguards and management training, implementation of a pay-for-performance system may undermine the DNI's diversity goals. Women and minorities are already underrepresented in the Intelligence Community. This underrepresentation is even more pronounced in the senior grades and in management positions. Without sufficient safeguards to protect equal opportunity, the Committee is deeply concerned that the pay-for-performance system will further erode the deficient diversity representation in the Intelligence Community.

For these reasons, the Committee has fenced all funds in the General Defense Intelligence Program that are designated for conversion to the pay modernization system until 45 days after the DNI provides a plan for the pay-for-performance system generally, and a plan for any agency-specific pilot program specifically. In addition, the Committee directs that any funds in the Community Management Account and the CIA program designated for pay modernization be spent only on developing these plans, rather than implementing or converting to the pay modernization system.

The Committee believes that employees should assist in the design of the compensation system in which they will have to operate. To that end, the Committee encourages the DNI to establish and consult with an employee advisory group in the development of the plan submitted to Congress. In selecting this advisory committee, the DNI should ensure it has a diverse range of occupations, demographic groups, geographic locations, and seniority. The comments of the advisory group should be included in the DNI's report to Congress.

COMMITTEE CONSIDERATION AND ROLLCALL VOTES

On May 2, 2007, the Committee met in open and closed session and ordered the bill H.R. 2082 favorably reported, as amended.

OPEN SESSION

In open session, the Committee considered the text of the bill H.R. 2082.

Chairman Reyes offered an amendment in the nature of a substitute to H.R. 2082. The contents of the amendment in the nature of a substitute are described in the Section-by-Section analysis and the Explanation of Amendment. The Committee considered the following amendments to the amendment in the nature of a substitute:

Mr. Issa offered an amendment to strike a provision in the Chairman's mark that requires a National Intelligence Estimate on the national security impacts of global climate change.

CLOSED SESSION

Mr. Hoekstra moved to close the meeting because national security would be endangered if the matters to be considered were disclosed. The motion was agreed to by a record vote of 19 ayes to 0 noes:

Voting aye: Mr. Reyes, Mr. Boswell, Mr. Cramer, Ms. Eshoo, Mr. Holt, Mr. Ruppersberger, Mr. Thompson, Ms. Schakowsky, Mr. Langevin, Mr. Murphy, Mr. Hoekstra, Mr. Everett, Mr. Gallegly, Mrs. Wilson, Mr. Thornberry, Mr. McHugh, Mr. Tiahrt, Mr. Rogers, Mr. Issa.

Voting no: None

OPEN SESSION

The Committee returned to open session to complete consideration of the Issa Amendment.

It was not agreed to by a record vote of 9 ayes to 10 noes:

Voting aye: Mr. Hoekstra, Mr. Everett, Mr. Gallegly, Mrs. Wilson, Mr. Thornberry, Mr. McHugh, Mr. Tiahrt, Mr. Rogers, Mr. Issa.

Voting no: Mr. Reyes, Mr. Boswell, Mr. Cramer, Ms. Eshoo, Mr. Holt, Mr. Ruppersberger, Mr. Thompson, Ms. Schakowsky, Mr. Langevin, Mr. Murphy.

Ms. Schakowsky offered an amendment to require the President to provide the International Committee of the Red Cross access to persons detained by the Intelligence Community. Ms. Schakowsky later withdrew her amendment.

Mr. Rogers of Michigan offered an amendment to reject the Administration's request to increase the authorized personnel of the Office of the Director of National Intelligence.

CLOSED SESSION

Mr. Rogers of Michigan moved to close the meeting because national security would be endangered if the matters to be considered were disclosed. The motion was agreed to by a record vote of 19 ayes to 1 noes:

Voting aye: Mr. Reyes, Mr. Boswell, Mr. Cramer, Ms. Eshoo, Mr. Holt, Mr. Ruppersberger, Mr. Thompson, Ms. Schakowsky, Mr. Langevin, Mr. Murphy, Mr. Hoekstra, Mr. Everett, Mr. Gallegly, Mrs. Wilson, Mr. Thornberry, Mr. McHugh, Mr. Tiahrt, Mr. Rogers, Mr. Issa.

Voting no: Mr. Tierney.

OPEN SESSION

Mr. McHugh offered an amendment to modify a provision in the Chairman's amendment in the nature of a substitute that requires a report on contractors by the Inspector General for the Director of National Intelligence. Mr. McHugh's amendment was adopted on voice vote.

Mr. Holt offered an amendment to establish a reporting requirement for Executive Branch requests for information concerning officers, employees, and agents of the Intelligence Community. Mr. Holt later withdrew the amendment.

Mr. Rogers of Michigan offered an amendment to close the National Drug Intelligence Center. It was not agreed to by a record vote of 8 ayes to 11 noes:

Voting aye: Mr. Hoekstra, Mr. Everett, Mrs. Wilson, Mr. Thornberry, Mr. McHugh, Mr. Tiahrt, Mr. Rogers, Mr. Issa.

Voting no: Mr. Reyes, Mr. Hastings, Mr. Boswell, Mr. Cramer, Ms. Eshoo, Mr. Holt, Mr. Ruppersberger, Mr. Thompson, Ms. Schakowsky, Mr. Langevin, Mr. Murphy.

The Committee then voted on the Rogers amendment to reject the Administration's request to increase the authorized personnel of the Office of the Director of National Intelligence. It was not agreed to by a record vote of 9 ayes to 10 noes, with one member voting present:

Voting aye: Mr. Hoekstra, Mr. Everett, Mr. Gallegly, Mrs. Wilson, Mr. Thornberry, Mr. McHugh, Mr. Tiahrt, Mr. Rogers, Mr. Issa.

Voting no: Mr. Reyes, Mr. Hastings, Mr. Boswell, Mr. Cramer, Mr. Holt, Mr. Ruppersberger, Mr. Thompson, Ms. Schakowsky, Mr. Langevin, Mr. Murphy.

Voting present: Ms. Eshoo.

Mr. Rogers offered an amendment relating to an audit of the effectiveness and role of the National Drug Intelligence Center. It was not agreed to by a record vote of 9 ayes and 10 noes

Voting aye: Mr. Hoekstra, Mr. Everett, Mr. Gallegly, Mrs. Wilson, Mr. Thornberry, Mr. McHugh, Mr. Tiahrt, Mr. Rogers, Mr. Issa.

Voting no: Mr. Reyes, Mr. Hastings, Mr. Boswell, Mr. Cramer, Ms. Eshoo, Mr. Ruppersberger, Mr. Thompson, Ms. Schakowsky, Mr. Langevin, Mr. Murphy.

Mr. Thornberry offered an amendment requiring the Director of National Intelligence to provide an annual report on foreign language capability within each element of the Intelligence Community. It was agreed to by voice vote.

Mr. Rogers of Michigan offered an amendment requiring the termination of quarterly reports on North Korean and Iranian nuclear capabilities and intentions. It was not agreed to by a record vote of 9 ayes to 10 noes:

Voting aye: Mr. Hoekstra, Mr. Everett, Mr. Gallegly, Mrs. Wilson, Mr. Thornberry, Mr. McHugh, Mr. Tiahrt, Mr. Rogers, Mr. Issa.

Voting no: Mr. Reyes, Mr. Boswell, Mr. Cramer, Ms. Eshoo, Mr. Holt, Mr. Ruppersberger, Mr. Thompson, Ms. Schakowsky, Mr. Langevin, Mr. Murphy.

Mr. Thornberry offered an amendment requiring the Director of National Intelligence to provide a report on those reports required by law to be submitted to any of the congressional committees that have jurisdiction over elements of the Intelligence Community. Mr. Thornberry later withdrew his amendment.

The Committee then recessed for House floor votes and reconvened for business two hours later.

When the Committee reconvened, Mrs. Wilson of New Mexico offered an amendment to revise the Foreign Intelligence Surveillance Act and alter the authorities governing electronic surveillance.

CLOSED SESSION

Ms. Wilson moved to close the meeting because national security would be endangered if the matters to be considered were disclosed. The motion was agreed to by a record vote of 15 ayes to 0 noes:

Voting aye: Mr. Reyes, Mr. Hastings, Mr. Boswell, Mr. Holt, Ms. Schakowsky, Mr. Langevin, Mr. Murphy, Mr. Hoekstra, Mr. Everett, Mr. Gallegly, Mrs. Wilson, Mr. Thornberry, Mr. McHugh, Mr. Rogers, Mr. Issa.

Voting no: None.

OPEN SESSION

After debate, the Committee returned to open session. The Wilson amendment was not agreed to by a record vote of 9 ayes to 10 noes:

Voting aye: Mr. Hoekstra, Mr. Everett, Mr. Gallegly, Mrs. Wilson, Mr. Thornberry, Mr. McHugh, Mr. Tiahrt, Mr. Rogers, Mr. Issa.

Voting no: Mr. Reyes, Mr. Boswell, Mr. Cramer, Ms. Eshoo, Mr. Holt, Mr. Ruppersberger, Mr. Tierney, Mr. Thompson, Ms. Schakowsky, Mr. Murphy.

CLOSED SESSION

Mr. Hoekstra moved to close the meeting because national security would be endangered if the matters to be considered were disclosed. The motion was agreed to by a record vote of 21 ayes to 0 noes:

Voting aye: Mr. Reyes, Mr. Hastings, Mr. Boswell, Mr. Cramer, Ms. Eshoo, Mr. Holt, Mr. Ruppersberger, Mr. Tierney, Mr. Thompson, Ms. Schakowsky, Mr. Langevin, Mr. Murphy, Mr. Hoekstra, Mr. Everett, Mr. Gallegly, Mrs. Wilson, Mr. Thornberry, Mr. McHugh, Mr. Tiahrt, Mr. Rogers, Mr. Issa.

Voting no: None.

Mr. Hoekstra offered an amendment to modify the classified Schedule of Authorizations. The amendment was adopted by voice vote.

Ms. Schakowsky offered an amendment to modify the funding level for a program contained in the classified Schedule of Authorizations.

OPEN SESSION

After debate, the Committee returned to open session. The Schakowsky amendment was not agreed to by a record vote of 7 ayes to 14 noes:

Voting aye: Mr. Hastings, Ms. Eshoo, Mr. Holt, Mr. Tierney, Mr. Thompson, Ms. Schakowsky, Mr. Murphy.

Voting no: Mr. Reyes, Mr. Boswell, Mr. Cramer, Mr. Ruppersberger, Mr. Langevin, Mr. Hoekstra, Mr. Everett, Mr. Gallegly, Mrs. Wilson, Mr. Thornberry, Mr. McHugh, Mr. Tiahrt, Mr. Rogers, Mr. Issa.

By voice vote the Committee adopted the Chairman's amendment in the nature of a substitute, as amended.

By voice vote, the Committee adopted a motion by the Chairman to favorably report the bill H.R. 2082 to the House, as amended.

SECTION-BY-SECTION ANALYSIS AND EXPLANATION OF THE AMENDMENT

TITLE I—INTELLIGENCE ACTIVITIES

Section 101—Authorization of appropriations

Section 101 of the bill authorizes appropriations for the intelligence and intelligence-related activities of the Office of the Director of National Intelligence; the Central Intelligence Agency; the Department of Defense; the Defense Intelligence Agency; the National Security Agency; the Departments of the Army, Navy and Air Force; the Coast Guard; the Department of State; the Department of the Treasury; the Department of Justice; the Federal Bureau of Investigation; the Drug Enforcement Administration; the National Reconnaissance Office; the National Geospatial-Intelligence Agency; and the Department of Homeland Security.

Section 102—Classified Schedule of Authorizations

Section 102 provides that the amounts and personnel ceilings authorized under Section 101 shall be specified in the accompanying classified Schedule of Authorizations, which shall be made available to the Committee on Appropriations and to the President.

Section 103—Personnel ceiling adjustments

Section 103 permits the Director of National Intelligence (DNI) to authorize employment of civilian personnel in excess of two percent of the authorized number when the DNI determines that it is necessary to the performance of important intelligence functions. This section also requires the DNI to promptly notify the congressional intelligence committees whenever he exercises the authority granted under this section.

Section 104—Intelligence Community Management Account

Section 104 authorizes specified personnel and funds for the Intelligence Community Management Account, as well as additional personnel and funds in the classified Schedule of Authorizations. This section also provides for the detail of personnel to the staff of that account on a reimbursable basis or on a non-reimbursable basis for periods of less than one year for the performance of temporary functions. In addition, this section authorizes funding for the National Drug Intelligence Center.

Section 105—Incorporation of reporting requirements

Section 105 provides that each requirement to submit a report to the congressional intelligence committees included in the joint explanatory statement to accompany the conference report on the bill is incorporated into the Act and made a requirement in law.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Section 201—Authorization of appropriations

Section 201 authorizes funds for the Central Intelligence Agency (CIA) Retirement and Disability System.

Section 202—Technical amendment to mandatory retirement provision

Section 202 updates the CIA mandatory retirement provision to reflect the abolition of pay grades within the Senior Intelligence Service and the CIA's adoption of the revised Senior Intelligence Service program in February 2004.

TITLE III—INTELLIGENCE AND GENERAL INTELLIGENCE COMMUNITY PROVISIONS

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

Section 301 permits the authorized amounts to be increased to provide increases in compensation and benefits authorized by law.

Section 302—Restriction on conduct of intelligence activities

Section 302 provides that the authorization of funds in this act does not constitute authority for the conduct of any intelligence activity not otherwise authorized by the Constitution or laws of the United States.

Section 303—Clarification of definition of Intelligence Community under the National Security Act of 1947

Section 303 provides a technical clarification with respect to designation of members of the Intelligence Community.

Section 304—Extension to the Intelligence Community of authority to delete information about receipt and disposition of foreign gifts

Section 304 allows the head of any intelligence agency to delete information about the donation of foreign gifts if the head of such agency certifies in writing to the Secretary of State that the publication of such information could adversely affect United States intelligence sources or methods.

Gifts received in the course of ordinary contact between senior officials of elements of the Intelligence Community and their foreign counterparts should not be excluded under the provisions of this amendment unless there is a serious concern that such contacts and gifts would adversely affect United States intelligence sources or methods.

Section 305—Modification of requirements for reprogramming of funds for intelligence activities

Section 305 makes the requirements for Intelligence Community reprogramming of funds consistent with transfer provisions in the Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108–458).

Section 306—Delegation of authority for travel on common carriers for intelligence collection personnel

Section 306 permits the DNI to delegate authority to approve certain travel on common carriers to the heads of individual Intelligence Community elements. It also allows further delegation of that authority by those elements pursuant to guidelines developed by the DNI and requires such guidelines to be submitted to the congressional intelligence committees.

Section 307—Report on pay for performance of Intelligence Community personnel

Section 307 prohibits the implementation of pay-for-performance compensation reform until 45 days after the DNI submits a report to the congressional intelligence committees detailing the proposed plan, performance appraisal standards, implementation guidelines, accountability mechanisms and projected impact on the workforce.

Section 308—Plan to increase diversity in the Intelligence Community

Section 308 requires the DNI to submit a strategic plan to increase diversity in the Intelligence Community. In developing this plan, the DNI should coordinate with the head of each agency to

ensure that each agency has a specific implementation plan to increase diversity. The Intelligence Community is authorized to obligate or expend only 80 percent of the amount appropriated to the Intelligence Community Management Account until the report is delivered to Congress.

TITLE IV—MATTERS RELATING TO ELEMENTS OF THE INTELLIGENCE COMMUNITY

Subtitle A—Office of the Director of National Intelligence

Section 401—Clarification of limitation on co-location of the Office of the Director of National Intelligence

Section 401 clarifies that the prohibition on the co-location of the DNI with any other Intelligence Community element applies only to the co-location of the headquarters of each.

Section 402—Membership of the Director of National Intelligence on the Transportation Security Oversight Board

Section 402 adds the Director of National Intelligence or his designee to the Transportation Security Oversight Board.

Section 403—Additional duties of the Director of Science and Technology of the Office of the Director of National Intelligence

Section 403 redefines the responsibilities and duties of the DNI Director of Science and Technology and the DNI Science and Technology Committee to ensure better science and technology prioritization and coordination across the Intelligence Community. This section further requires the DNI to submit to Congress a report outlining the strategy for the development and use of technology in the Intelligence Community through 2018.

Section 404—Leadership and location of certain offices and officials

Section 404 includes the Director of the National Counterproliferation Center (NCPC), the Director of the National Counterterrorism Center, the Chief Information Officer and the Inspector General of the Intelligence Community in the list of officers within the Office of the DNI. This section also provides that the NCPC Director shall be appointed by the DNI and that the office located within the Office of the DNI.

Section 405—Eligibility for incentive awards of personnel assigned to the Office of the Director of National Intelligence

Section 405 authorizes the DNI and the Director of the CIA to provide incentive awards to federal employees and military personnel assigned to the Office of the DNI.

Section 406—Multi-level security clearances

Section 406 directs the Director of National Intelligence within 180 days after the date of enactment of the Act to establish and oversee the implementation of a uniform, flexible, multi-level security clearance system across the Intelligence Community to fully leverage the cultural, linguistic and technical skills of subject matter experts and others proficient in foreign languages critical to national security.

The Committee believes that the prompt implementation of a uniform, multi-level security clearance system across the Intelligence Community would greatly enhance the ability of the Intelligence Community to carry out its mission. Many of these individuals with cultural knowledge and language skills critical to the Intelligence Community's work are prevented from working for the Intelligence Community under the current security clearance standards and processes. Therefore, the Committee believes that it is essential to expeditiously implement this new system.

Section 407—National intelligence estimate on global climate change

Section 407 requires the DNI to submit to Congress a National Intelligence Estimate on the impact to U.S. national security of the geopolitical effects brought about by global climate change. The Committee is encouraged that the National Intelligence Council (NIC) is presently engaged in a broad-based review of this issue with the aim of producing a National Intelligence Assessment by the summer. (The NIC has indicated that the document may alternatively be a National Intelligence Estimate.) The Committee believes that this matter should, in fact, be given the weight of a formal National Intelligence Estimate.

Anticipated environmental changes connected to global climate change represent a potentially significant threat multiplier for instability around the world. Conflict over scarce resources could result in increased pressure on already fragile countries. Under such circumstances, these countries are at greater risk of losing control over their populations and of becoming terrorist safe havens. These developments could have serious implications for military commanders and intelligence operations.

Eleven former three- and four-star admirals and generals recently issued a report highlighting the national security implications of global climate change and urging greater study of the physical or economic threats to the United States.

A National Intelligence Estimate will aid policymakers in understanding the national security implications of global climate change. While the Committee defers to the NIC in determining the precise scope and parameters of this study, the estimate should include an assessment of the impact of global climate change on Intelligence Community operations, personnel, and resources globally.

The Committee does not anticipate that producing an Estimate will require the diversion of any collection assets away from other key priorities. Cost of the core analytic work is already being performed by professionals from across the IC who study the environment and resource issues and who are drafting the National Intelligence Assessment. Also, the scientific data needed for the Estimate is mostly open source material that is already in the possession of the U.S. government.

Section 408—Plan to implement recommendations of the Data Center Efficiency Reports

Section 408 requires the DNI to develop a plan to implement the recommendations of the Environmental Protection Agency report

on improving data center efficiency under the Energy Star Program.

The Committee believes that the Intelligence Community has a responsibility to assess its use of environmental resources as it looks for ways to relieve its power, space, and cooling challenges with regard to its use of data centers.

Section 409—Comprehensive inventory of special access programs

Section 409 requires the DNI to provide a comprehensive inventory of special access programs to the Committee.

Section 410—Quarterly intelligence reports to Congress on Iran and North Korea

Section 410 requires the DNI to report to the House and Senate Intelligence Committees every 90 days on the current intentions and capabilities of Iran and North Korea with regard to their nuclear programs.

Iran and North Korea are among the greatest strategic threats to U.S. national security. Both countries' efforts to develop a nuclear weapons capability undermine regional security, and present an ongoing challenge to U.S. interests globally. This provision is intended to ensure that the Committee receives reports related to this important subject matter on a routine and structured basis to further oversight objectives regarding the collection and analysis of information regarding these threats.

Section 411—Accountability in intelligence contracting

Section 411 requires the DNI to provide a series of reports to the House and Senate Intelligence Committees to promote greater accountability in intelligence contracting. The section requires the DNI to provide the intelligence committees with an annual report on contractors committing waste, fraud, abuse, failing to perform on a contract, or violating the law; review contract accountability mechanisms; and review the effect of contractors on the Intelligence Community workforce.

A recent Intelligence Community contractor survey did not include a review of accountability mechanisms in core contracts, nor any data to judge whether any contractors have committed waste, fraud, abuse, or criminal violations. Based on this and other observations, the Committee has concluded that Intelligence Community leaders do not have an adequate understanding of the size and composition of the contractor work force, a consistent and well-articulated method for assessing contractor performance, or strategies for managing a combined staff-contractor workforce. In addition, the Committee is concerned that the Intelligence Community does not have a clear definition of what functions are "inherently governmental" and, as a result, whether there are contractors performing inherently governmental functions.

Section 412—Annual report on foreign language proficiency in the Intelligence Community

Section 412 requires directs the DNI, in coordination with the heads of the elements of each intelligence agency, to report to the Committee on foreign language requirements and capabilities in

the Intelligence Community. This section also requires the DNI to report on foreign language training tools.

In assessing methods and models for basic, advanced, and intensive foreign language training, the DNI should explore new methods for effective language training. For example, one particularly innovative process, called "the national network for language learning," brings students together with professional linguists, learning specialists, experts in the target language and civilization, and native speaking tutors in non-traditional settings.

The Intelligence Community's mission increasingly requires skills fluency in difficult-to-master languages and deep expertise in foreign cultures. Increasing the number of employees proficient in hard-target languages will allow the Intelligence Community to improve its collection and analysis capabilities.

While the Committee appreciates the steps that the Intelligence Community has taken to recruit individuals proficient in foreign languages, the Committee recognizes that these efforts have not fully met the high demand for language skills. Additionally, the Committee remains concerned that neither the Intelligence Community nor the Committee has an effective and objective mechanism to gauge progress in improving foreign language capacity and capabilities within the IC. Factual statistical information will allow Committees of jurisdiction to better assess the Intelligence Community's ability to manage language resources.

Section 413—Intelligence Community reports on foreign language proficiency

Section 413 requires the head of each element of the Intelligence Community to submit a detailed report to the DNI providing several different data points concerning the number of foreign-language-capable positions and personnel at each such element. This section further requires the DNI to submit all of these reports to several congressional committees along with an assessment of foreign language capacity and capabilities in the Intelligence Community and recommendations for the elimination of required reports relating to foreign-language proficiency that the DNI considers outdated.

Subtitle B—Central Intelligence Agency

Section 421—Deputy Director of the Central Intelligence Agency

Section 421 establishes in statute the position of the Deputy Director of the Central Intelligence Agency, and requires that the individual serving in such position be nominated by the President and confirmed by the Senate. This section also describes the duties and authorities of the Deputy Director, and specifies that the position shall be at Level III of the Executive Schedule.

Section 422—General authorities of the Central Intelligence Agency

Section 422 clarifies the CIA's authority to transfer funds to other federal elements to carry out functions which the CIA is authorized by law to carry out.

Section 423—Review of covert action programs by Inspector General of the CIA

Section 423 requires the CIA Inspector General to conduct audits of each covert action program at least once every three years.

The Committee was dismayed at a recent incident wherein the Intelligence Community failed to inform the Congress of a significant covert action activity. This failure to notify Congress constitutes a violation of the National Security Act of 1947. Despite agency explanations that the failure was inadvertent, the Committee is deeply troubled over the fact that such an oversight could occur, whether intentionally or inadvertently.

The Committee firmly believes that scrupulous transparency between the Intelligence Community and this Committee is an absolute necessity on matters related to covert action. The Committee intends this audit and reporting requirement to act as a further check against the risk of insufficient notification, whether deliberate or inadvertent.

Section 424—Report on audited financial statement progress

Section 424 repeals the requirement for the CIA to submit an annual report describing steps taken to ensure that its financial statements can be audited in accordance with applicable law and Office of Management and Budget requirements. This section reflects the fact that the CIA has now submitted, and has promised it will continue to submit, audited financial statements in accordance with the Accountability of Tax Dollars Act of 2002 (Public Law 107–289; 31 U.S.C. 3515).

SUBTITLE C—OTHER ELEMENTS

Section 431—Clarifying amendments relating to Section 105 of the Intelligence Authorization Act for Fiscal Year 2004

Section 431 makes a technical correction to section 105 of the Intelligence Authorization for Fiscal Year 2004, which clarified that the establishment of the Office of Intelligence and Analysis within the Department of Treasury and its reorganization within the Office of Terrorism and Financial Intelligence did not affect the authorities of the Director of Central Intelligence with regard to the Office of Intelligence and Analysis. This section updates section 105 to reflect the authorities and responsibilities of the DNI as they relate to these elements of the Department of the Treasury.

Section 432—Repeal of certain authorities relating to the Office of the National Counterintelligence Executive

Section 432 makes conforming changes to reflect the incorporation of the Office of the National Counterintelligence Executive (NCIX) into the Office of the DNI. These amendments include the elimination of certain independent administrative authorities that had been vested in the NCIX when that official was appointed by and reported to the President prior to enactment of the Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108–458), which placed the NCIX under the authority, direction and control of the DNI.

Section 433—Clarification of inclusion of Coast Guard and Drug Enforcement Administration elements in the Intelligence Community

Section 433 formally includes the Coast Guard and Drug Enforcement Administration in the list of Intelligence Community agencies included in the National Security Act.

TITLE V—OTHER MATTERS

Subtitle A—General Intelligence Matters

Section 501—Aerial reconnaissance platforms

Section 501 restricts the Secretary of Defense's ability to terminate the U–2 program until he certifies there will be no loss of Intelligence, Surveillance and Reconnaissance (ISR) capabilities in transitioning from the U–2 to the Global Hawk. This section also requires a comparative study of the two platforms and a report on the results of the study to be delivered to the intelligence and armed services committees.

Section 502—Extension of National Commission for Review of Research and Development Programs of the United States Intelligence Community

Section 502 extends the reporting deadline for the National Commission for Review and Research and Development Programs of the United States Intelligence Community until September 1, 2008, and authorizes funds for the commission's activities. The commission was originally created in Section 1007 of the Intelligence Authorization Act for Fiscal Year 2003 (P.L. 107–306; 50 U.S.C. 401 note).

Subtitle B—Technical Amendments

Section 511—Technical Amendments relating to the Multiyear National Intelligence Program

Section 511 updates the "multiyear national intelligence program" provision to incorporate and reflect organizational and nomenclature changes made by the Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108–458).

Section 512—Technical clarification of certain references to the Joint Military Intelligence Program and Tactical Intelligence and Related Activities

Section 512 makes a technical clarification to reflect the consolidation of the Joint Military Intelligence Program (JMIP) and the Tactical Intelligence and Related Activities program (TIARA) into the Military Intelligence Program.

The Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108–458) included a requirement for the DNI to participate in the development of the annual JMIP and TIARA budgets and for the Secretary of Defense to consult with the DNI prior to the transfer or reprogramming of JMIP funds. Changes provided Section 512 replace the obsolete JMIP and TIARA references with the new Military Intelligence Program.

Section 513—Technical amendments to the National Security Act of 1947

Section 513 makes technical changes to the National Security Act of 1947.

Section 514—Technical amendments to the Intelligence Reform and Terrorism Prevention Act of 2004

Section 514 makes technical changes to the Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108–458)

Section 515—Technical amendments to the Executive Schedule

Section 515 makes technical amendments to the Executive Schedule relating to the Director of the Central Intelligence Agency and the General Counsel of the Office of the DNI.

Section 516—Technical Amendments to titles of Central Intelligence Agency positions

Section 516 makes technical changes to correct outdated references to the Executive Director, Deputy Director for Operations, and the Deputy Director for Administration in Section 17(d)(3)(B)(ii) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403q(d)(3)(B)(ii)).

These amendments reflect the recent changes of the titles of the Executive Director to the Associate Deputy Director; the Deputy Director for Operations to the Director of the National Clandestine Service; and the Deputy Director for Administration to the Director for Support.

Section 517—Technical amendments relating to redesignation of the National Imagery and Mapping Agency as the National Geospatial-Intelligence Agency

Section 517 makes technical changes to the United States Code reflect the change in name of the National Imagery and Mapping Agency to the National Geospatial-Intelligence Agency as provided for in section 921(b) of the National Defense Authorization Act for Fiscal Year 2004 (P.L. 108–136).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 2082—Intelligence Authorization Act for Fiscal Year 2008

Summary: H.R. 2082 would authorize appropriations for fiscal year 2008 for intelligence activities of the U.S. Government, for the Intelligence Community Management Account, and for 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 $406 million in 2008 and approximately $730 million over the 2008–2012 period, assuming appropriation of the authorized funds. Enacting H.R. 2082 would not affect direct spending or revenues.

The unclassified sections of H.R. 2082 would extend an existing mandate, as defined by the Unfunded Mandates Reform Act (UMRA), on intergovernmental and private-sector entities, but CBO estimates that the costs of the mandate would not exceed the annual thresholds established in that act ($67 million for intergov-

ernmental mandates and $134 million for private-sector mandates in 2007, adjusted annually for inflation).

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 2082 is shown in the following table. The costs of this legislation fall within budget function 050 (national defense).

	By fiscal year, in millions of dollars—					
	2008	2009	2010	2011	2012	2013
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Intelligence Community Management Account:						
Authorization Level	738	0	0	0	0	0
Estimated Outlays	406	258	52	15	0	0

Basis of estimate: Section 104 would authorize the appropriation of $738 million for the Intelligence Community Management Account, which provides the principal source of funding for the Office of the Director of National Intelligence and provides resources for coordination of programs, budget oversight, and management of the intelligence agencies. CBO estimates that implementing this provision would cost $406 million in 2008 and approximately $730 million over the 2008–2012 period, assuming appropriation of the specified amount.

Section 201 would authorize the appropriation of $263 million to 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.

Intergovernmental and private-sector impact: The unclassified sections of this bill would extend the National Commission for the Review of the Research and Development Programs of the U.S. Intelligence Community and the authority of the commission to subpoena testimony and evidence. State, local, and tribal governments, and entities in the private sector, if subpoenaed by the commission, would be required to provide testimony, documents, or other evidence. CBO expects that the commission would likely exercise this authority sparingly and that the costs to comply with a subpoena would not be significant. Thus, CBO estimates that the costs to public and private entities would be small and well below the annual thresholds established in UMRA ($67 million for intergovernmental mandates and $134 million for private-sector mandates in 2007, adjusted annually for inflation).

The remaining unclassified provisions of the bill contain no intergovernmental or private-sector mandates and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal Costs: Jason Wheelock. 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.

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H-405, THE CAPITOL
WASHINGTON, DC 20515
(202) 225-7690

MICHAEL DELANEY
STAFF DIRECTOR

MICHAEL MEERMANS
MINORITY STAFF DIRECTOR

May 3, 2007

Peter R. Orszag
Director, Congressional Budget Office
Ford House Office Building, Washington, D.C.

Dear Mr. Orszag:

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, I am writing to request a cost estimate of H.R. 2082, the Intelligence Authorization Act for fiscal year 2008, pursuant to sections 308 and 403 of the Congressional Budget Act of 1974. I have attached a copy of the bill as approved by the House Permanent Select Committee on Intelligence.

As I hope to bring this legislation to the House floor on Thursday, May 10th, I would very much appreciate an expedited response to this request by the CBO's budget staff. Should you have any questions related to this request, please contact Caryn Wagner, the Committee's budget director. Thank you in advance for your assistance.

Sincerely,

Silvestre Reyes
Chairman

CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

Peter R. Orszag, Director

May 7, 2007

Honorable Silvestre Reyes
Chairman
Permanent Select Committee on Intelligence
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2082, the Intelligence Authorization Act for Fiscal Year 2008.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Jason Wheelock, who can be reached at 226-2840.

Sincerely,

Donald B. Marron for

Peter R. Orszag

Enclosure

cc: Honorable Peter Hoekstra
Ranking Republican

Compliance With House Rule XXI

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee is required to include a list of congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI of the Rules of the House of Representatives. The Committee has required Members of Congress to comply with all requirements of clause 9(d), 9(e), or 9(f) of rule XXI.

The following table provides the list of such provisions included in the bill or in the report:

Requesting Member	Subject	Dollar Amount (In Thousands)
Mr. Cramer	NATIONAL INTELLIGENCE PROGRAM Rapid Missile All-Source Analysis	6,000
Mr. Cramer	MILITARY INTELLIGENCE PROGRAM Tactical SIGINT and Geo-Location Cognitive Analysis	1,000
Mr. Cramer	NATIONAL INTELLIGENCE PROGRAM Missile and Space Intelligence Center Simulation Project	4,000
Mr. Cramer	NATIONAL INTELLIGENCE PROGRAM Laboratory for High Performance Computational Systems	2,000
Mr. Cramer	MILITARY INTELLIGENCE PROGRAM Battle Lab Collection Management Tool Synchronization	2,000
Ms. Eshoo	NATIONAL INTELLIGENCE PROGRAM Geo-Location Software Development	2,750
Mr. Everett	NATIONAL INTELLIGENCE PROGRAM Global Geospatial Data Project	6,000
Mr. Everett	NATIONAL INTELLIGENCE PROGRAM Missile and Space Intelligence Center Simulation Project	4,000
Mr. Everett	NATIONAL INTELLIGENCE PROGRAM Rapid Missile All-Source Analysis	6,000
Mr. Hall of Texas	NATIONAL INTELLIGENCE PROGRAM RC-135S Sensor Upgrade	3,200
Mr. Hall of Texas	MILITARY INTELLIGENCE PROGRAM RC-135 Modification	3,000
Mr. Hastings of Florida	MILITARY INTELLIGENCE PROGRAM Western Hemisphere Security Analysis Center	2,000
Mr. Hastings of Florida	NATIONAL INTELLIGENCE PROGRAM COMMUNITY MANAGEMENT ACCOUNT Centers of Academic Excellence	2,000
Mr. Honda	INFORMATION SYSTEMS SECURITY PROTECTION Cryptographic Modernization Program	2,500

MR. MCCAUL	MILITARY INTELLIGENCE PROGRAM NEXT GENERATION SIGNAL INTELLIGENCE SENSOR	1,000
MR. MURTHA	NATIONAL INTELLIGENCE PROGRAM MOBILE MISSILE MONITORING AND DETECTION PROGRAM	1,000
MR. MURTHA	NATIONAL INTELLIGENCE PROGRAM JOINT INTELLIGENCE TRAINING AND EDUCATION	1,000
MR. MURTHA	NATIONAL INTELLIGENCE PROGRAM COMMUNITY MANAGEMENT ACCOUNT NATIONAL DRUG INTELLIGENCE CENTER	23,000
MR. PASTOR	NATIONAL INTELLIGENCE PROGRAM BEHAVIOR PATTERN RECOGNITION TRAINING PROGRAM	500
MR. RUPPERSBERGER	MILITARY INTELLIGENCE PROGRAM RADIO FREQUENCY SIGNAL COLLECTION PROGRAM	2,000
MR. RUPPERSBERGER	INTELLIGENCE SYSTEMS SECURITY PROTECTION COMPUTER CHIP HARDENING AND PRODUCTION	2,500
MR. RUPPERSBERGER	MILITARY INTELLIGENCE PROGRAM NATIONAL/TACTICAL GATEWAY	10,000
MR. RUPPERSBERGER	NATIONAL INTELLIGENCE PROGRAM COUNTER-PROLIFERATION SYSTEM PROTOTYPE	3,000
MR. TIERNEY	NATIONAL INTELLIGENCE PROGRAM ADVANCED MIRROR DEVELOPMENT	3,000
MR. TIERNEY	NATIONAL INTELLIGENCE PROGRAM SEISMIC RESEARCH	2,000
MR. TIERNEY	MILITARY INTELLIGENCE PROGRAM SENSOR VISUALIZATION AND DATA FUSION	1,500

05/07/2007 18:50 FAX 202 226 4499 CHS DEM STAFF

BENNIE G. THOMPSON, MISSISSIPPI
CHAIRMAN

PETER T. KING, NEW YORK
RANKING MEMBER

One Hundred Tenth Congress
U.S. House of Representatives
Committee on Homeland Security
Washington, DC 20515

May 7, 2007

The Honorable Silvestre Reyes
Chairman
House Select Committee on Intelligence
H-405
The Capitol
Washington, D.C. 20515

Dear Chairman Reyes:

I am writing to you regarding H.R. 2082, a bill to authorize appropriations for fiscal year 2008 for intelligence and intelligence-related activities of the United States Government.

H.R. 2082 contains provisions that fall within the jurisdiction of the Committee on Homeland Security. I recognize and appreciate your desire to bring this bill to the full House expeditiously. Accordingly, I will not seek a sequential referral of the bill. However, this decision to waive consideration of H.R. 2082 should not be construed as the Committee on Homeland Security waiving its jurisdiction over this legislation.

Additionally, the Committee on Homeland Security reserves the right to seek the appointment of conferees during any House-Senate conference convened on this legislation or on provisions of this bill that are within the jurisdiction of the Committee on Homeland Security. I ask for your commitment to support any such request by the Committee on Homeland Security for the appointment of conferees on H.R. 2082 or similar legislation.

Thank you for your timely consideration of my request. I look forward to working with you as we prepare to pass this important national security legislation.

Sincerely,

Bennie G. Thompson
Chairman

cc: The Honorable Nancy Pelosi, Speaker
The Honorable Peter T. King, Ranking Member
The Honorable John Sullivan, Parliamentarian

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MICHAEL DELANEY
STAFF DIRECTOR

MICHAEL MEERMANS
MINORITY STAFF DIRECTOR

May 7, 2007

The Honorable Bennie G. Thompson
Chairman
Committee on Homeland Security
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Thompson:

Thank you for your letter regarding H.R. 2082, the Intelligence Authorization Act for Fiscal Year 2008.

I appreciate you willingness to work cooperatively on this legislation. I recognize that this bill contains amendments to provisions of law related to matters that fall under the jurisdiction of the Committee on Homeland Security. In addition, I acknowledge that the Committee on Homeland Security will not seek sequential referral of this legislation.

Further, I recognize that your committee reserves the right to seek appointment of conferees on the bill for the portions of it that are within your jurisdiction, and I agree to support such a request.

I look forward to working with you on this legislation and other matters of great importance to our nation.

Sincerely,

Silvestre Reyes
Chairman

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ONE HUNDRED TENTH CONGRESS

Congress of the United States
House of Representatives

COMMITTEE ON THE JUDICIARY

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May 7, 2007

The Honorable Silvestre Reyes
Chairman
Permanent Select Committee on Intelligence
H405 Capitol
Washington, D.C. 20515

Dear Mr. Chairman:

This is to advise you that the Committee on the Judiciary has now had an opportunity to review the provisions in H.R. 2082, the Intelligence Authorization Act for Fiscal Year 2008, as approved by your Committee, that fall within our Rule X jurisdiction. We are satisfied with those provisions, and appreciate your consulting with us on them. We have no objection to your including them in the bill for consideration on the House floor.

In the event a House-Senate conference on this or similar legislation is convened, the Committee reserves the right to request an appropriate number of conferees to address any concerns with these or similar provisions that may arise in conference.

Sincerely,

John Conyers Jr.
Chairman

cc: The Honorable Lamar Smith
The Honorable John Sullivan, Parliamentarian

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MICHAEL DELANEY
STAFF DIRECTOR

MICHAEL MEERMANS
MINORITY STAFF DIRECTOR

May 7, 2007

The Honorable John Conyers
Chairman
Committee on the Judiciary
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Conyers:

Thank you for your letter regarding H.R. 2082, the Intelligence Authorization Act for Fiscal Year 2008.

I appreciate you willingness to work cooperatively on this legislation. I recognize that this bill contains amendments to provisions of law related to matters that fall under the jurisdiction of the Committee on the Judiciary. In addition, I acknowledge that the Committee on the Judiciary is satisfied with those provisions, and will not seek sequential referral of this legislation.

Further, I recognize that, in the event that a House-Senate conference is convened on this or similar legislation, your committee reserves the right to seek appointment of conferees for the portions of the bill that are within your jurisdiction.

I will ensure that this exchange of letters is included in the Committee's report on H.R. 2082. I look forward to working with you on this legislation and other matters of great importance to this nation.

Sincerely,

Silvestre Reyes
Chairman

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U.S. House of Representatives

Washington, DC 20515–6035

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ERIN C. CONATON, STAFF DIRECTOR

May 4, 2007

Honorable Silvestre Reyes
Chairman
House Permanent Select Committee on Intelligence
H-405, United States Capitol
Washington, D.C. 20515

Dear Mr. Chairman:

I write to confirm our mutual understanding regarding H.R. 2082, authorizing appropriations for fiscal year 2008 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. This legislation contains subject matter within the jurisdiction of the House Committee on Armed Services.

Our Committee recognizes the importance of H.R. 2082 and the need for the legislation to move expeditiously. Therefore, while we have a valid claim to jurisdiction over this legislation, the Committee on Armed Services will waive further consideration of H.R. 2082. I do so with the understanding that by waiving further consideration of the bill, the Committee does not waive any future jurisdictional claims over similar measures. In the event of a conference with the Senate on this bill, the Committee on Armed Services reserves the right to seek the appointment of conferees.

I would appreciate the inclusion of this letter and a copy of the response in your Committee's report on H.R. 2082 and in the *Congressional Record* during consideration of the measure on the House floor.

Very truly yours,

IKE SKELTON
Chairman

IS:cks

cc: Honorable Nancy Pelosi
Honorable Duncan Hunter
Honorable Peter Hoekstra
Honorable John V. Sullivan

SILVESTRE REYES, TEXAS, CHAIRMAN

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WASHINGTON, DC 20515
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MICHAEL DELANEY
STAFF DIRECTOR

MICHAEL MEERMANS
MINORITY STAFF DIRECTOR

May 7, 2007

The Honorable Ike Skelton
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Skelton:

Thank you for your letter regarding H.R. 2082, the Intelligence Authorization Act for Fiscal Year 2008.

I appreciate you willingness to work cooperatively on this legislation. I recognize that this bill contains amendments to provisions of law related to matters that fall under the jurisdiction of the Committee on Armed Services. In addition, I acknowledge that the Committee on Armed Service will not seek sequential referral of this legislation.

Further, I recognize that your committee reserves the right to seek appointment of conferees on the bill for the portions of the bill that are within your jurisdiction, and I agree to support such a request.

I will ensure that this exchange of letters is included in the Committee's report on H.R. 2082 and in the Congressional Record. I look forward to working with you on this legislation and other matters of great importance to this nation.

Sincerely,

Silvestre Reyes
Chairman

HENRY A. WAXMAN, CALIFORNIA,
CHAIRMAN

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ONE HUNDRED TENTH CONGRESS

Congress of the United States
House of Representatives

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VIRGINIA FOXX, NORTH CAROLINA
BRIAN P. BILBRAY, CALIFORNIA
BILL SALI, IDAHO

May 4, 2007

The Honorable Silvestre Reyes
Chairman
House Permanent Select Committee on Intelligence
H 405 U.S. Capitol
Washington, DC 20515

Dear Chairman Reyes:

I am writing about H.R. 2082, the Intelligence Authorization Act for Fiscal Year 2008, which the Select Committee on Intelligence ordered reported to the House on May 2, 2007.

I appreciate your effort to consult with the Committee on Oversight and Government Reform regarding those provisions of H.R. 2082 that fall within the Oversight Committee's jurisdiction. These provisions include federal civil service and personnel matters.

In the interest of expediting consideration of H.R. 2082, the Oversight Committee will not request a sequential referral of this bill. I would, however, request your support for the appointment of conferees from the Oversight Committee should H.R. 2082 or a similar Senate bill be considered in conference with the Senate.

This letter should not be construed as a waiver of the Oversight Committee's legislative jurisdiction over subjects addressed in H.R. 2082 that fall within the jurisdiction of the Oversight Committee.

Finally, I request that you include our exchange of letters on this matter in the Intelligence Committee Report on H.R. 2082 and in the Congressional Record during consideration of this legislation on the House floor.

Thank you for your attention to these matters.

Sincerely,

Henry A. Waxman
Chairman

cc: Tom Davis
Ranking Minority Member

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MICHAEL DELANEY
STAFF DIRECTOR

MICHAEL MEERMANS
MINORITY STAFF DIRECTOR

May 7, 2007

The Honorable Henry Waxman
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Thank you for your letter regarding H.R. 2082, the Intelligence Authorization Act for Fiscal Year 2008.

I appreciate you willingness to work cooperatively on this legislation. I recognize that this bill contains amendments to provisions of law related to matters that fall under the jurisdiction of the Committee on Oversight and Government Reform. In addition, I acknowledge that the Committee on Government Reform will not seek sequential referral of this legislation.

Further, I recognize that your committee reserves the right to seek appointment of conferees on the bill for the portions of the bill that are within your jurisdiction, and I agree to support such a request.

I will ensure that this exchange of letters is included in the Committee's report on H.R. 2082 and in the Congressional Record. I look forward to working with you on this legislation and other matters of great importance to this nation.

Sincerely,

Silvestre Reyes
Chairman

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CHAIRMAN

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ONE HUNDRED TENTH CONGRESS

CONGRESS OF THE UNITED STATES

COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
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REPUBLICAN CHIEF COUNSEL

May 7, 2007

The Honorable Silvestere Reyes
Chairman
Permanent Select Committee on Intelligence
H-405, The Capitol
Washington, DC 20515

Dear Mr. Chairman:

I am writing to you concerning the bill H.R. 2082, the Intelligence Authorization Act, fiscal year 2008. Section 304, relating to amendments to provisions of law governing the manner in which gifts from foreign governments may be received by U.S. officials, falls within the Rule X of jurisdiction of the Committee on Foreign Affairs.

In the interest of permitting your Committee to proceed expeditiously to floor consideration of this important bill, I am willing to waive this Committee's right to sequential referral on this legislation. I do so with the understanding that, by waiving consideration of the bill, the Committee on Foreign Affairs does not waive, reduce or otherwise affect any future jurisdictional claim over the subject matters contained in the bill which fall within its Rule X jurisdiction. I request that you support our efforts to have Members of this Committee named to any conference committee which is formed to consider any such provisions.

Please place this letter in your Committee's Report and in the Congressional Record during consideration of the measure on the House floor. Thank you for the cooperative spirit in which you have addressed this matter, and I look forward to working with you as H.R. 2082 proceeds through the legislative process.

Cordially,

Tom Lantos

TOM LANTOS
Chairman

TL:da/mco

SILVESTRE REYES, TEXAS, CHAIRMAN

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U.S. HOUSE OF REPRESENTATIVES

PERMANENT SELECT COMMITTEE
ON INTELLIGENCE

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WASHINGTON, DC 20515
(202) 225-7690

MICHAEL DELANEY
STAFF DIRECTOR

MICHAEL MEERMANS
MINORITY STAFF DIRECTOR

May 7, 2007

The Honorable Thomas Lantos
Chairman
Committee on Foreign Affairs
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Lantos:

Thank you for your letter regarding H.R. 2082, the Intelligence Authorization Act for Fiscal Year 2008.

I appreciate you willingness to work cooperatively on this legislation. I recognize that this bill contains amendments to provisions of law related to matters that fall under the jurisdiction of the Committee on Foreign Affairs. In addition, I acknowledge that the Committee on Foreign Affairs will not seek sequential referral of this legislation.

Further, I recognize that your committee reserves the right to seek appointment of conferees on the bill for the portions of the bill that are within your jurisdiction, and I agree to support such a request.

I will ensure that this exchange of letters is included in the Committee's report on H.R. 2082, and look forward to working with you on this legislation and other matters of great importance to this nation. If you wish to discuss this matter further, please feel free to contact me or a member of my staff.

Sincerely,

Silvestre Reyes
Chairman

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):

CENTRAL INTELLIGENCE AGENCY RETIREMENT ACT

* * * * * * *

TITLE II—THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

* * * * * * *

Part D—Benefits Accruing to Certain Participants

* * * * * * *

SEC. 235. MANDATORY RETIREMENT.

(a) * * *

(b) MANDATORY RETIREMENT FOR AGE.—

(1) IN GENERAL.—A participant in the system shall be automatically retired from the Agency—

[(A) upon reaching age 65, in the case of a participant in the system receiving compensation under the Senior Intelligence Service pay schedule at the rate of level 4 or above; and]

(A) upon reaching age 65, in the case of a participant in the system serving in a position with a Senior Intelligence Service rank of level 4 or above;

* * * * * * *

NATIONAL SECURITY ACT OF 1947

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

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

TABLE OF CONTENTS

Sec. 2. Declaration of policy.

* * * * * * *

TITLE I—COORDINATION FOR NATIONAL SECURITY

Sec. 101. National Security Council.

* * * * * * *

Sec. 104B. Deputy Director of the Central Intelligence Agency.

* * * * * * *

Sec. 120. Annual reports on foreign language proficiency.

* * * * * * *

TITLE V—ACCOUNTABILITY FOR INTELLIGENCE ACTIVITIES

Sec. 501. General congressional oversight provisions.

* * * * * * *

Sec. 508. Quarterly intelligence reports to Congress on Iran and North Korea.
Sec. 509. Report on intelligence community contractors.
Sec. 510. Report on foreign language proficiency in the intelligence community.

* * * * * * *

DEFINITIONS

SEC. 3. As used in this Act:

(1) * * *

* * * * * * *

(4) The term "intelligence community" includes the following:

(A) * * *

* * * * * * *

(H) The intelligence elements of the Army, the Navy, the Air Force, the Marine Corps, *the Coast Guard,* the Federal Bureau of Investigation, *the Drug Enforcement Administration,* and the Department of Energy.

* * * * * * *

(K) The elements of the Department of Homeland Security concerned with the analysis of intelligence information**[**, including the Office of Intelligence of the Coast Guard**]**.

(L) Such other elements of any **[**other**]** department or agency as may be designated by the President, or designated jointly by the Director of National Intelligence and the head of the department or agency concerned, as an element of the intelligence community.

* * * * * * *

TITLE I—COORDINATION FOR NATIONAL SECURITY

* * * * * * *

RESPONSIBILITIES AND AUTHORITIES OF THE DIRECTOR OF NATIONAL INTELLIGENCE

SEC. 102A. (a) * * *

* * * * * * *

(c) BUDGET AUTHORITIES.—(1) * * *

* * * * * * *

(3)(A) The Director of National Intelligence shall participate in the development by the Secretary of Defense of the **[**annual budgets for the Joint Military Intelligence Program and for Tactical Intelligence and Related Activities**]** *annual budget for the Military Intelligence Program or any successor program or programs*.

* * * * * * *

(7)(A) The Director of National Intelligence shall provide a semi-annual report, beginning April 1, 2005, and ending April 1, 2007, to the President and the Congress regarding implementation of this [section] *subsection*.

* * * * * * *

(d) ROLE OF DIRECTOR OF NATIONAL INTELLIGENCE IN TRANSFER AND REPROGRAMMING OF FUNDS.—(1)(A) * * *

(B) The Secretary of Defense shall consult with the Director of National Intelligence before transferring or reprogramming funds made available under the [Joint Military Intelligence Program] *Military Intelligence Program or any successor program or programs*.

* * * * * * *

(3) The Director of National Intelligence may only transfer or reprogram funds referred to in [subparagraph (A)] *paragraph (1)(A)*—

(A) * * *

* * * * * * *

(5)(A) A transfer or reprogramming of funds [or personnel] may be made under this subsection only if—

(i) * * *

* * * * * * *

(l) ENHANCED PERSONNEL MANAGEMENT.—(1) * * *

(2)(A) * * *

(B) The Director may prescribe regulations to carry out this [section] *paragraph*.

* * * * * * *

(n) ACQUISITION *AND OTHER* AUTHORITIES.—(1) * * *

* * * * * * *

(s) MULTI-LEVEL SECURITY CLEARANCES.—The Director of National Intelligence shall establish a multi-level security clearance system for the intelligence community to enable the intelligence community to more efficiently make use of persons proficient in foreign languages or with cultural, linguistic, or other subject matter expertise that is critical to national security.

OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE

SEC. 103. (a) * * *

* * * * * * *

(c) COMPOSITION.—The Office of the Director of National Intelligence is composed of the following:

(1) * * *

* * * * * * *

(9) The Chief Information Officer of the intelligence community.

(10) The Inspector General of the intelligence community.

(11) The Director of the National Counterterrorism Center.

(12) The Director of the National Counter Proliferation Center.

[(9)] *(13)* Such other offices and officials as may be established by law or the Director may establish or designate in the Office, including national intelligence centers.

* * * * * * *

(e) LIMITATION ON CO-LOCATION [WITH] *OF HEADQUARTERS WITH HEADQUARTERS OF* OTHER ELEMENTS OF INTELLIGENCE COMMUNITY.—Commencing as of October 1, 2008, *the headquarters of* the Office of the Director of National Intelligence may not be co-located with *the headquarters of* any other element of the intelligence community.

* * * * * * *

DIRECTOR OF SCIENCE AND TECHNOLOGY

SEC. 103E. (a) * * *

* * * * * * *

(c) DUTIES.—The Director of Science and Technology shall—

(1) * * *

* * * * * * *

(4) assist the Director on the science and technology elements of the budget of the Office of the Director of National Intelligence; [and]

(5) assist the Director in establishing goals for the elements of the intelligence community to meet the technology needs of the intelligence community; and

[(5)] *(6)* perform other such duties as may be prescribed by the Director of National Intelligence or specified by law.

(d) DIRECTOR OF NATIONAL INTELLIGENCE SCIENCE AND TECHNOLOGY COMMITTEE.—(1) * * *

* * * * * * *

(3) The Committee shall—

(A) coordinate *and prioritize* advances in research and development related to intelligence; and

* * * * * * *

(4) In carrying out paragraph (3)(A), the Committee shall identify basic, advanced, and applied research programs to be executed by elements of the intelligence community.

(e) GOALS FOR TECHNOLOGY NEEDS OF INTELLIGENCE COMMUNITY.—In carrying out subsection (c)(5), the Director of Science and Technology shall—

(1) systematically identify and assess the most significant intelligence challenges that require technical solutions;

(2) examine options to enhance the responsiveness of research programs; and

(3) ensure that programs are designed to meet the technical requirements of the intelligence community.

* * * * * * *

DEPUTY DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY

SEC. 104B. (a) DEPUTY DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY.—There is a Deputy Director of the Central Intelligence

Agency who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) DUTIES.—The Deputy Director of the Central Intelligence Agency shall—

(1) assist the Director of the Central Intelligence Agency in carrying out the duties and responsibilities of the Director; and

(2) act for, and exercise the powers of, the Director of the Central Intelligence Agency during the absence or disability of the Director of the Central Intelligence Agency, or during a vacancy in the position of Director of the Central Intelligence Agency.

* * * * * * *

ANNUAL REPORT ON IMPROVEMENT OF FINANCIAL STATEMENTS FOR AUDITING PURPOSES

SEC. 114A. Not later each year than the date provided in section 507, the Director of National Intelligence, [the Director of the Central Intelligence Agency,] the Director of the National Security Agency, the Director of the Defense Intelligence Agency, and the Director of the National Imagery and Mapping Agency shall each submit to the congressional intelligence committees a report describing the activities being undertaken by such official to ensure that the financial statements of such agency can be audited in accordance with applicable law and requirements of the Office of Management and Budget.

* * * * * * *

TRAVEL ON ANY COMMON CARRIER FOR CERTAIN INTELLIGENCE COLLECTION PERSONNEL

SEC. 116. (a) * * *

(b) AUTHORIZED DELEGATION OF DUTY.—*(1)* The Director of National Intelligence [may only delegate the authority granted by this section to the Principal Deputy Director of National Intelligence, or with respect to employees of the Central Intelligence Agency, to the Director of the Central Intelligence Agency.] *may delegate the authority in subsection (a) to the head of any other element of the intelligence community.*

(2) The head of an element of the intelligence community to whom the authority in subsection (a) is delegated pursuant to paragraph (1) may further delegate such authority to such senior officials of such element as are specified in guidelines prescribed by the Director of National Intelligence for purposes of this paragraph.

* * * * * * *

NATIONAL COUNTERTERRORISM CENTER

SEC. 119. (a) * * *

* * * * * * *

(c) REPORTING.—(1) * * *

(2) The matters described in this paragraph are as follows:

(A) * * *

(B) The activities of the Directorate of Intelligence of the National Counterterrorism Center under [subsection (h)] *subsection (i).*

* * * * * * *

NATIONAL COUNTER PROLIFERATION CENTER

SEC. 119A. (a) [ESTABLISHMENT.—Not later than 18 months after the date of the enactment of the National Security Intelligence Reform Act of 2004, the] *(1) ESTABLISHMENT.—The* President shall establish a National Counter Proliferation Center, taking into account all appropriate government tools to prevent and halt the proliferation of weapons of mass destruction, their delivery systems, and related materials and technologies.

(2) DIRECTOR.—The head of the National Counter Proliferation Center shall be the Director of the National Counter Proliferation Center, who shall be appointed by the Director of National Intelligence.

(3) LOCATION.—The National Counter Proliferation Center shall be located within the Office of the Director of National Intelligence.

* * * * * * *

ANNUAL REPORTS ON FOREIGN LANGUAGE PROFICIENCY

SEC. 120. (a) IN GENERAL.—The head of each element of the intelligence community shall annually submit to the Director of National Intelligence a report on the foreign language proficiency of the personnel of such element.

(b) CONTENTS.—

(1) IN GENERAL.—Each report submitted under subsection (a) shall include, for each foreign language and, where appropriate, dialect of a foreign language—

(A) the number of positions of such element that require proficiency in the foreign language or dialect;

(B) the number of personnel of such element that are serving in a position that—

(i) requires proficiency in the foreign language or dialect to perform the primary duty of the position; and

(ii) does not require proficiency in the foreign language or dialect to perform the primary duty of the position;

(C) the number of personnel that are proficient in the foreign language or dialect that—

(i) are authorized for the element of the intelligence community for which the report is submitted; and

(ii) the head of such element considers necessary for such element for each of the five years following the date of the submission of the report;

(D) the number of personnel of such element rated at each level of proficiency of the Interagency Language Roundtable;

(E) whether the number of personnel at each level of proficiency of the Interagency Language Roundtable meets the requirements of such element;

(F) the number of personnel serving or hired to serve as linguists for such element that are not qualified as lin-

guists under the standards of the Interagency Language Roundtable;

(G) the number of personnel hired to serve as linguists for such element during the preceding calendar year;

(H) the number of personnel serving as linguists that discontinued serving such element during the preceding calendar year;

(I) the percentage of work requiring linguistic skills that is fulfilled by an ally of the United States;

(J) the percentage of work requiring linguistic skills that is fulfilled by contractors; and

(K) the percentage of work requiring linguistic skills that is fulfilled by members of the Armed Forces.

(2) MILITARY PERSONNEL.—Except as provided in paragraph (1)(K), a report submitted under subsection (a) shall not include personnel that are members of the Armed Forces on active duty assigned to the element for which the report is submitted.

(c) DNI REPORT TO CONGRESS.—The Director of National Intelligence shall annually submit to the Permanent Select Committee on Intelligence and the Subcommittee on Defense of the Committee on Appropriations of the House of Representatives and the Select Committee on Intelligence and the Subcommittee on Defense of the Committee on Appropriations of the Senate a report containing—

(1) each report submitted to the Director of National Intelligence for a year under subsection (a);

(2) an assessment of the foreign language capacity and capabilities of the intelligence community as a whole; and

(3) recommendations for eliminating required reports relating to foreign-language proficiency that the Director of National Intelligence considers outdated or no longer relevant.

* * * * * * *

TITLE V—ACCOUNTABILITY FOR INTELLIGENCE ACTIVITIES

GENERAL CONGRESSIONAL OVERSIGHT PROVISIONS

SEC. 501. (a) * * *

* * * * * * *

(f) As used in this section, the term "intelligence activities" includes covert actions as defined in section [503(e)] *503(g)*, and includes financial intelligence activities.

REPORTING OF INTELLIGENCE ACTIVITIES OTHER THAN COVERT ACTIONS

SEC. 502. (a) IN GENERAL.—To the extent consistent with due regard for the protection from unauthorized disclosure of classified information relating to sensitive intelligence sources and methods or other exceptionally sensitive matters, the Director of National Intelligence and the heads of all departments, agencies, and other entities of the United States Government involved in intelligence activities shall—

(1) keep the congressional intelligence committees fully and currently informed of all intelligence activities, other than a covert action (as defined in section [503(e)] *503(g)*), which are

the responsibility of, are engaged in by, or are carried out for or on behalf of, any department, agency, or entity of the United States Government, including any significant anticipated intelligence activity and any significant intelligence failure; and

* * * * * * *

PRESIDENTIAL APPROVAL AND REPORTING OF COVERT ACTIONS

SEC. 503. (a) * * *

* * * * * * *

(e) INSPECTOR GENERAL AUDITS OF COVERT ACTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), the Inspector General of the Central Intelligence Agency shall conduct an audit of each covert action at least every three years.

(2) TERMINATED, SUSPENDED PROGRAMS.—The Inspector General of the Central Intelligence Agency is not required to conduct an audit under paragraph (1) of a covert action that has been terminated or suspended if such covert action was terminated or suspend prior to the last audit of such covert action conducted by the Inspector General and has not been restarted after the date on which such audit was completed.

(3) REPORT.—Not later than 60 days after the completion of an audit conducted pursuant to paragraph (1), the Inspector General of the Central Intelligence Agency shall submit to the congressional intelligence committees a report containing the results of such audit.

* * * * * * *

[(e)**]** *(g)* As used in this title, the term "covert action" means an activity or activities of the United States Government to influence political, economic, or military conditions abroad, where it is intended that the role of the United States Government will not be apparent or acknowledged publicly, but does not include—

(1) * * *

* * * * * * *

FUNDING OF INTELLIGENCE ACTIVITIES

SEC. 504. (a) Appropriated funds available to an intelligence agency may be obligated or expended for an intelligence or intelligence-related activity only if—

(1) * * *

* * * * * * *

(3) in the case of funds specifically authorized by the Congress for a different activity—

(A) * * *

[(B) the need for funds for such activity is based on unforseen requirements; and**]**

(B) the activity to be funded supports an emergent need, improves program effectiveness, or increases efficiency; and

* * * * * * *

(c) No funds appropriated for, or otherwise available to, any department, agency, or entity of the United States Government may be expended, or may be directed to be expended, for any covert ac-

tion, as defined in section [503(e)] *503(g)*, unless and until a Presidential finding required by subsection (a) of section 503 has been signed or otherwise issued in accordance with that subsection.

* * * * * * *

DATES FOR SUBMITTAL OF VARIOUS ANNUAL AND SEMIANNUAL REPORTS TO THE CONGRESSIONAL INTELLIGENCE COMMITTEES

SEC. 507. (a) ANNUAL REPORTS.—(1) The date for the submittal to the congressional intelligence committees of the following annual reports shall be the date each year provided in subsection (c)(1)(A):

(A) * * *

* * * * * * *

[(N)] *(J)* The annual report on hiring and retention of minority employees in the intelligence community required by section 114(c).

(K) The annual report on intelligence community contractors required by section 509.

(L) The annual report on foreign language proficiency in the intelligence community required by section 510.

* * * * * * *

QUARTERLY INTELLIGENCE REPORTS TO CONGRESS ON IRAN AND NORTH KOREA

SEC. 508. (a) REPORT.—

(1) IN GENERAL.—On a quarterly basis, the Director of National Intelligence shall submit to the congressional intelligence committees a report on the current intentions and capabilities of the Islamic Republic of Iran and Democratic People's Republic of Korea (North Korea) with regard to the nuclear programs of Iran and North Korea, respectively, including—

(A) an assessment of nuclear weapons programs;

(B) an evaluation, consistent with existing reporting standards and practices, of the sources upon which the intelligence is based, including the number of sources and the reliability of each source;

(C) a summary of any new intelligence gathered or developed since the previous report, including intelligence collected from both open and clandestine sources; and

(D) a discussion of any dissents, caveats, gaps in knowledge, or other information that would reduce confidence in the overall assessment.

(2) FORM.—Each report submitted under paragraph (1) may be submitted in classified form.

(b) ACCESS TO REPORT.—Each report submitted under subsection (a)(1) shall be made available to all members of the congressional intelligence committees and to all staff of the congressional intelligence committees with appropriate security clearance. Other members of the Senate or the House of Representatives may review the reports in accordance with security procedures established by each of the congressional intelligence committees.

REPORT ON INTELLIGENCE COMMUNITY CONTRACTORS

SEC. 509. Not later each year than the date provided in section 507, the Director of National Intelligence shall submit to the congressional intelligence committees a report on contractors funded under the National Intelligence Program. Such report shall include—

(1) a list of all contractors that—

(A) have been the subject of an investigation completed by the Inspector General of any element of the intelligence community during the preceding fiscal year,

(B) are the subject of an investigation by such an Inspector General during the current fiscal year, or

(C) will be the subject of an investigation that may affect the ability of the contractor to deliver contracted services to the intelligence community by such an Inspector General during the current fiscal year,

either as a corporate entity or an individual employee, for financial waste, fraud, abuse of government resources, failure to perform a contract, or criminal violations; and

(2) the number of contractors performing services for each element of the intelligence community.

REPORT ON FOREIGN LANGUAGE PROFICIENCY IN THE INTELLIGENCE COMMUNITY

SEC. 510. Not later each year than the date provided in section 507, the Director of National Intelligence shall submit to the congressional intelligence committees a report on the foreign language proficiency of each element of the intelligence community, including—

(1) the number of positions authorized for such element that require foreign language proficiency and the level of proficiency required;

(2) the number of positions authorized for such element that require foreign language proficiency that are filled by—

(A) military personnel; and

(B) civilian personnel;

(3) the number of applicants for positions in such element in the previous fiscal year that indicated foreign language proficiency, including the foreign language indicated and the proficiency level;

(4) the number of persons hired by such element with foreign language proficiency, including the foreign language and proficiency level;

(5) the number of personnel of such element currently attending foreign language training, including the provider of such training;

(6) a description of such element's efforts to recruit, hire, train, and retain personnel that are proficient in a foreign language; and

(7) an assessment of methods and models for basic, advanced, and intensive foreign language training.

* * * * * * *

TITLE 5, UNITED STATES CODE

* * * * * * *

PART III—EMPLOYEES

* * * * * * *

SUBPART A—GENERAL PROVISIONS

* * * * * * *

CHAPTER 23—MERIT SYSTEM PRINCIPLES

* * * * * * *

§ 2302. Prohibited personnel practices

(a)(1) * * *

(2) For the purpose of this section—

(A) * * *

* * * * * * *

(C) 'a'agency" means an Executive agency and the Government Printing Office, but does not include—

(i) * * *

(ii) the Federal Bureau of Investigation, the Central Intelligence Agency, the Defense Intelligence Agency, the [National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency*, the National Security Agency, and, as determined by the President, any Executive agency or unit thereof the principal function of which is the conduct of foreign intelligence or counterintelligence activities; or

* * * * * * *

SUBPART B—EMPLOYMENT AND RETENTION

* * * * * * *

CHAPTER 31—AUTHORITY FOR EMPLOYMENT

* * * * * * *

SUBCHAPTER II—THE SENIOR EXECUTIVE SERVICE

* * * * * * *

§ 3132. Definitions and exclusions

(a) For the purpose of this subchapter—

(1) "agency" means an Executive agency, except a Government corporation and the Government Accountability Office, but does not include—

(A) * * *

(B) the Federal Bureau of Investigation, the Drug Enforcement Administration, the Central Intelligence Agency, the Defense Intelligence Agency, the [National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency*, the National Security Agency, Department of De-

fense intelligence activities the civilian employees of which are subject to section 1590 of title 10,, and, as determined by the President, an Executive agency, or unit thereof, whose principal function is the conduct of foreign intelligence or counterintelligence activities;

* * * * * * *

SUBPART C—EMPLOYEE PERFORMANCE

* * * * * * *

CHAPTER 43—PERFORMANCE APPRAISAL

* * * * * * *

SUBCHAPTER I—GENERAL PROVISIONS

§ 4301. Definitions

For the purpose of this subchapter—

(1) "agency" means—

(A) * * *

* * * * * * *

but does not include—

(i) * * *

(ii) the Central Intelligence Agency, the Defense Intelligence Agency, the [National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency*, the National Security Agency, or any Executive agency or unit thereof which is designated by the President and the principal function of which is the conduct of foreign intelligence or counterintelligence activities; or

* * * * * * *

CHAPTER 47—PERSONNEL RESEARCH PROGRAMS AND DEMONSTRATION PROJECTS

* * * * * * *

§ 4701. Definitions

(a) For the purpose of this chapter—

(1) "agency" means an Executive agency and the Government Printing Office, but does not include—

(A) * * *

(B) the Federal Bureau of Investigation, the Central Intelligence Agency, the Defense Intelligence Agency, the [National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency*, the National Security Agency, and, as determined by the President, any Executive agency or unit thereof which is designated by the President and which has as its principal function the conduct of foreign intelligence or counterintelligence activities; or

* * * * * * *

SUBPART D—PAY AND ALLOWANCES

* * * * * * *

CHAPTER 51—CLASSIFICATION

* * * * * * *

§ 5102. Definitions; application

(a) For the purpose of this chapter—

(1) "agency" means—

(A) * * *

* * * * * * *

but does not include—

(i) * * *

* * * * * * *

(x) the [National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency*, Department of Defense.

* * * * * * *

CHAPTER 53—PAY RATES AND SYSTEMS

* * * * * * *

SUBCHAPTER II—EXECUTIVE SCHEDULE PAY RATES

* * * * * * *

§ 5313. Positions at level II

Level II of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

* * * * * * *

[Director of Central Intelligence.]
Director of the Central Intelligence Agency.

* * * * * * *

§ 5314. Positions at level III

Level III of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

* * * * * * *

[Deputy Directors of Central Intelligence (2).]
Deputy Director of the Central Intelligence Agency.

* * * * * * *

§ 5315. Positions at level IV

Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate de-

termined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

* * * * * * *

[General Counsel of the Office of the National Intelligence Director.]

General Counsel of the Office of the Director of National Intelligence.

* * * * * * *

SUBCHAPTER IV—PREVAILING RATE SYSTEMS

* * * * * * *

§ 5342. Definitions; application

(a) For the purpose of this subchapter—

(1) "agency" means an Executive agency; but does not include—

(A) * * *

* * * * * * *

(K) the [National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency*, Department of Defense;

* * * * * * *

SUBPART E—ATTENDANCE AND LEAVE

* * * * * * *

CHAPTER 63—LEAVE

* * * * * * *

SUBCHAPTER III—VOLUNTARY TRANSFERS OF LEAVE

* * * * * * *

§ 6339. Additional leave transfer programs

(a) For the purpose of this section—

(1) the term "excepted agency" means—

(A) * * *

* * * * * * *

(E) the [National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency*; and

* * * * * * *

(2) the term "head of an excepted agency" means—

(A) * * *

* * * * * * *

(E) with respect to the [National Imagery and Mapping Agency, the Director of the National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency, the Director of the National Geospatial-Intelligence Agency*; and

* * * * * * *

SUBPART F—LABOR-MANAGEMENT AND EMPLOYEE RELATIONS

* * * * * * *

CHAPTER 73—SUITABILITY, SECURITY, AND CONDUCT

* * * * * * *

SUBCHAPTER III—POLITICAL ACTIVITIES

* * * * * * *

§ 7323. Political activity authorized; prohibitions

(a) * * *
(b)(1) * * *
(2)(A) * * *
(B) The provisions of subparagraph (A) shall apply to—
(i) an employee of—
(I) * * *

* * * * * * *

(XIII) the [National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency*; or

* * * * * * *

SUBCHAPTER IV—FOREIGN GIFTS AND DECORATIONS

* * * * * * *

§ 7342. Receipt and disposition of foreign gifts and decorations

(a) * * *

* * * * * * *

(f)(1) * * *

* * * * * * *

[(4)(A) In transmitting such listings for the Central Intelligence Agency, the Director of the Central Intelligence Agency may delete the information described in subparagraphs (A) and (C) of paragraphs (2) and (3) if the Director certifies in writing to the Secretary of State that the publication of such information could adversely affect United States intelligence sources.

[(B) In transmitting such listings for the Office of the Director of National Intelligence, the Director of National Intelligence may delete the information described in subparagraphs (A) and (C) of paragraphs (2) and (3) if the Director certifies in writing to the Secretary of State that the publication of such information could adversely affect United States intelligence sources.]

(4) In transmitting such listings for an element of the intelligence community (as such term is defined in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4))), the head of such element of the intelligence community may delete the information described in subparagraphs (A) and (C) of paragraphs (2) and (3) if the head of such element of the intelligence community certifies in writing to

the Secretary of State that the publication of such information could adversely affect United States intelligence sources or methods.

* * * * * * *

TITLE 49, UNITED STATES CODE

* * * * * * *

SUBTITLE I—DEPARTMENT OF TRANSPORTATION

CHAPTER 1—ORGANIZATION

* * * * * * *

§ 115. Transportation Security Oversight Board

(a) * * *

(b) MEMBERSHIP.—

(1) NUMBER AND APPOINTMENT.—The Board shall be composed of 7 members as follows:

(A) * * *

* * * * * * *

[(F) The Director of the Central Intelligence Agency, or the Director's designee.**]**

(F) The Director of National Intelligence, or the Director's designee.

* * * * * * *

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1984

* * * * * * *

TITLE IV—ADMINISTRATIVE PROVISIONS RELATED TO THE CENTRAL INTELLIGENCE AGENCY AND THE INTELLIGENCE COMMUNITY STAFF

* * * * * * *

ELIGIBILITY FOR INCENTIVE AWARDS

SEC. 402. **[**(a) The Director of Central Intelligence may exercise the authority granted in section 4503 of title 5, United States Code, with respect to Federal employees and members of the Armed Forces detailed or assigned to the Central Intelligence Agency or to the Intelligence Community Staff, in the same manner as such authority may be exercised with respect to the personnel of the Central Intelligence Agency and the Intelligence Community Staff.**]**

(a) AUTHORITY FOR PAYMENT OF AWARDS.—(1) The Director of National Intelligence may exercise the authority granted in section 4503 of title 5, United States Code, with respect to Federal employees and members of the Armed Forces detailed or assigned to the Office of the Director of National Intelligence in the same manner

as such authority may be exercised with respect to personnel of the Office.

(2) The Director of the Central Intelligence Agency may exercise the authority granted in section 4503 of title 5, United States Code, with respect to Federal employees and members of the Armed Forces detailed or assigned to the Central Intelligence Agency in the same manner as such authority may be exercised with respect to personnel of the Agency.

(b) *PERSONNEL ELIGIBLE FOR AWARDS.*—The authority granted by [subsection (a) of this section] *subsection (a)* may be exercised with respect to Federal employees or members of the Armed Forces detailed or assigned [to the Central Intelligence Agency or to the Intelligence Community Staff] *to the Office of the Director of National Intelligence or to the Central Intelligence Agency* on or after [a date five years before the date of enactment of this section] *December 9, 1978*.

[(c) During fiscal year 1987, the Director of Central Intelligence may exercise the authority granted in section 4503(2) of title 5, United States Code, with respect to members of the Armed Forces who are assigned to foreign intelligence duties at the time of the conduct which gives rise to the exercise of such authority.]

[(d)] *(c) PAYMENT AND ACCEPTANCE OF AWARDS.*—An award made by the [Director of Central Intelligence] *Director of National Intelligence or Director of the Central Intelligence Agency* to an employee or member of the Armed Forces under the authority of section 4503 of title 5, United States Code, or this section may be paid and accepted notwithstanding—

(1) * * *

* * * * * * *

CENTRAL INTELLIGENCE AGENCY ACT OF 1949

* * * * * * *

GENERAL AUTHORITIES

SEC. 5. (a) IN GENERAL.—In the performance of its functions, the Central Intelligence Agency is authorized to—

(1) Transfer to and receive from other Government agencies such sums as may be approved by the Office of Management and Budget, for the performance of [any of the functions or activities authorized under paragraphs (2) and (3) of section 102(a), subsections (c)(7) and (d) of section 103, subsections (a) and (g) of section 104, and section 303 of the National Security Act of 1947 (50 U.S.C. 403(a)(2), (3), 403–3(c)(7), (d), 403–4(a), (g), and 405),] *any functions or activities authorized by law to be conducted by the Central Intelligence Agency* and any other Government agency is authorized to transfer to or receive from the Agency such sums without regard to any provisions of law limiting or prohibiting transfers between appropriations. Sums transferred to the Agency in accordance with this paragraph may be expended for the purposes and under the authority of this Act without regard to limitations of appropriations from which transferred;

* * * * * * *

SEC. 17. INSPECTOR GENERAL FOR THE AGENCY.

(a) * * *

* * * * * * *

(d) SEMIANNUAL REPORTS; IMMEDIATE REPORTS OF SERIOUS OR FLAGRANT PROBLEMS; REPORTS OF FUNCTIONAL PROBLEMS; REPORTS TO CONGRESS ON URGENT CONCERNS.—(1) * * *

* * * * * * *

(3) In the event that—

(A) * * *

(B) an investigation, inspection, or audit carried out by the Inspector General should focus on any current or former Agency official who—

(i) * * *

(ii) holds or held the position in the Agency, including such a position held on an acting basis, of—

(I) [Executive Director] *Associate Deputy Director*;

(II) [Deputy Director for Operations] *Director of the National Clandestine Service*;

* * * * * * *

(IV) [Deputy Director for Administration] *Director for Support*; or

* * * * * * *

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2004

* * * * * * *

TITLE I—INTELLIGENCE ACTIVITIES

* * * * * * *

SEC. 105. OFFICE OF INTELLIGENCE AND ANALYSIS OF THE DEPARTMENT OF THE TREASURY.

(a) * * *

(b) CONSTRUCTION OF AUTHORITY.—Nothing in section 311 of title 31, United States Code (as amended by subsection (a)), *or in section 313 of such title,* shall be construed to alter the authorities and responsibilities of the [Director of Central Intelligence] *Director of National Intelligence* with respect to the Office of Intelligence and Analysis of the Department of the Treasury as an element of the intelligence community.

* * * * * * *

SECTION 904 OF THE COUNTERINTELLIGENCE ENHANCEMENT ACT OF 2002

SEC. 904. OFFICE OF THE NATIONAL COUNTERINTELLIGENCE EXECUTIVE.

(a) * * *

* * * * * * *

[(d) GENERAL COUNSEL.—(1) There shall be in the Office of the National Counterintelligence Executive a general counsel who shall serve as principal legal advisor to the National Counterintelligence Executive.

[(2) The general counsel shall—

[(A) provide legal advice and counsel to the Executive on matters relating to functions of the Office;

[(B) ensure that the Office complies with all applicable laws, regulations, Executive orders, and guidelines; and

[(C) carry out such other duties as the Executive may specify.]

[(e)] *(d)* FUNCTIONS.—Subject to the direction and control of the National Counterintelligence Executive, the functions of the Office of the National Counterintelligence Executive shall be as follows:

(1) NATIONAL THREAT IDENTIFICATION AND PRIORITIZATION ASSESSMENT.—Subject to [subsection (f)] *subsection (e)*, in consultation with appropriate department and agencies of the United States Government, and private sector entities, to produce on an annual basis a strategic planning assessment of the counterintelligence requirements of the United States to be known as the National Threat Identification and Prioritization Assessment.

(2) NATIONAL COUNTERINTELLIGENCE STRATEGY.—Subject to [subsection (f)] *subsection (e)*, in consultation with appropriate department and agencies of the United States Government, and private sector entities, and based on the most current National Threat Identification and Prioritization Assessment under paragraph (1), to produce on an annual basis a strategy for the counterintelligence programs and activities of the United States Government to be known as the National Counterintelligence Strategy.

* * * * * * *

[(f)] *(e)* ADDITIONAL REQUIREMENTS REGARDING NATIONAL THREAT IDENTIFICATION AND PRIORITIZATION ASSESSMENT AND NATIONAL COUNTERINTELLIGENCE STRATEGY.—(1) * * *

(2) A National Counterintelligence Strategy under [subsection (e)(2)] *subsection (d)(2)*, and any modification of such strategy, shall not go into effect until approved by the President.

* * * * * * *

[(g)] *(f)* PERSONNEL.—(1) * * *

* * * * * * *

[(3) The employment of personnel by the Office, including the appointment, compensation and benefits, management, and separation of such personnel, shall be governed by the provisions of law on such matters with respect to the personnel of the Central Intelligence Agency, except that, for purposes of the applicability of such provisions of law to personnel of the Office, the National Counterintelligence Executive shall be treated as the head of the Office.

[(4) Positions in the Office shall be excepted service positions for purposes of title 5, United States Code.

[(h) SUPPORT.—(1) The Attorney General, Secretary of Defense, and Director of National Intelligence may each provide the Office of the National Counterintelligence Executive such support as may

be necessary to permit the Office to carry out its functions under this section.

[(2) Subject to any terms and conditions specified by the Director of National Intelligence, the Director may provide administrative and contract support to the Office as if the Office were an element of the Central Intelligence Agency.

[(3) Support provided under this subsection may be provided on a reimbursable or nonreimbursable basis, at the election of the official providing such support.

[(i) AVAILABILITY OF FUNDS FOR REIMBURSEMENT.—The National Counterintelligence Executive may, from amounts available for the Office, transfer to a department or agency detailing personnel under subsection (g), or providing support under subsection (h), on a reimbursable basis amounts appropriate to reimburse such department or agency for the detail of such personnel or the provision of such support, as the case may be.

[(j) CONTRACTS.—(1) Subject to paragraph (2), the National Counterintelligence Executive may enter into any contract, lease, cooperative agreement, or other transaction that the Executive considers appropriate to carry out the functions of the Office of the National Counterintelligence Executive under this section.

[(2) The authority under paragraph (1) to enter into contracts, leases, cooperative agreements, and other transactions shall be subject to any terms, conditions, and limitations applicable to the Central Intelligence Agency under law with respect to similar contracts, leases, cooperative agreements, and other transactions.]

[(k)] *(g)* TREATMENT OF ACTIVITIES UNDER CERTAIN ADMINISTRATIVE LAWS.—The files of the Office shall be treated as operational files of the Central Intelligence Agency for purposes of section 701 of the National Security Act of 1947 (50 U.S.C. 431) to the extent such files meet criteria under subsection (b) of that section for treatment of files as operational files of an element of the Agency.

[(l)] *(h)* OVERSIGHT BY CONGRESS.—The location of the Office of the National Counterintelligence Executive within the Office of the Director of National Intelligence shall not be construed as affecting access by Congress, or any committee of Congress, to—

(1) * * *

* * * * * * *

[(m)] *(i)* CONSTRUCTION.—Nothing in this section shall be construed as affecting the authority of the Director of National Intelligence, the Secretary of Defense, the Secretary of State, the Attorney General, or the Director of the Federal Bureau of Investigation as provided or specified under the National Security Act of 1947 or under other provisions of law.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2003

* * * * * * *

TITLE X—NATIONAL COMMISSION FOR REVIEW OF RESEARCH AND DEVELOPMENT PROGRAMS OF THE UNITED STATES INTELLIGENCE COMMUNITY

* * * * * * *

SEC. 1007. FINAL REPORT; TERMINATION.

(a) FINAL REPORT.—Not later than [September 1, 2004] *September 1, 2008*, the Commission shall submit to the congressional intelligence committees, the Director of Central Intelligence, and the Secretary of Defense a final report as required by section 1002(h)(2).

* * * * * * *

SECTION 1403 OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1991

[SEC. 1403. MULTIYEAR NATIONAL FOREIGN INTELLIGENCE PROGRAM]

SEC. 1403. MULTIYEAR NATIONAL INTELLIGENCE PROGRAM.

(a) ANNUAL SUBMISSION OF MULTIYEAR NATIONAL [FOREIGN] INTELLIGENCE PROGRAM.—The [Director of Central Intelligence] *Director of National Intelligence* shall submit to the congressional committees specified in subsection (d) each year a multiyear national [foreign] intelligence program plan reflecting the estimated expenditures and proposed appropriations required to support that program. Any such multiyear national [foreign] intelligence program plan shall cover the fiscal year with respect to which the budget is submitted and at least four succeeding fiscal years.

(b) TIME OF SUBMISSION.—The Director *of National Intelligence* shall submit the report required by subsection (a) each year at or about the same time that the budget is submitted to Congress pursuant to section 1105(a) of title 31, United States Code.

(c) CONSISTENCY WITH BUDGET ESTIMATES.—The [Director of Central Intelligence] *Director of National Intelligence* and the Secretary of Defense shall ensure that the estimates referred to in subsection (a) are consistent with the budget estimates submitted to Congress pursuant to section 1105(a) of title 31, United States Code, for the fiscal year concerned and with the estimated expenditures and proposed appropriations for the multiyear defense program submitted pursuant to section 114a of title 10, United States Code.

* * * * * * *

NATIONAL SECURITY INTELLIGENCE REFORM ACT OF 2004

* * * * * * *

TITLE I—REFORM OF THE INTELLIGENCE COMMUNITY

* * * * * * *

Subtitle A—Establishment of Director of National Intelligence

* * * * * * *

SEC. 1016. INFORMATION SHARING.

(a) * * *

* * * * * * *

(e) IMPLEMENTATION PLAN REPORT.—Not later than one year after the date of the enactment of this Act, the President shall, with the assistance of the program manager, submit to Congress a report containing an implementation plan for the ISE. The report shall include the following:

(1) * * *

* * * * * * *

(10) A delineation of the roles of the Federal departments and agencies that will participate in the ISE, including an identification of the agencies that will deliver the infrastructure needed to operate and manage the ISE (as distinct from individual department or agency components that are part of the ISE), with such delineation of roles to be consistent with—

(A) * * *

* * * * * * *

(B) the authority of the Secretary of Homeland Security and the Attorney General, and the role of the Department of Homeland Security and the [Attorney General] *Department of Justice*, in coordinating with State, local, and tribal officials and the private sector.

* * * * * * *

Subtitle F—Privacy and Civil Liberties

SEC. 1061. PRIVACY AND CIVIL LIBERTIES OVERSIGHT BOARD.

(a) * * *

* * * * * * *

(d) ACCESS TO INFORMATION.—

(1) * * *

* * * * * * *

(4) EXCEPTIONS FOR NATIONAL SECURITY.—

(A) IN GENERAL.—If the [National Intelligence Director] *Director of National Intelligence*, in consultation with the Attorney General, determines that it is necessary to withhold information requested under paragraph (3) to protect the national security interests of the United States, the

head of the department or agency concerned shall not furnish such information to the Board.

* * * * * * *

(h) SECURITY CLEARANCES.—The appropriate departments and agencies of the executive branch shall cooperate with the Board to expeditiously provide Board members and staff with appropriate security clearances to the extent possible under applicable procedures and requirements. Promptly upon commencing its work, the Board shall adopt, after consultation with the Secretary of Defense, the Attorney General, and the [National Intelligence Director] *Director of National Intelligence*, rules and procedures of the Board for physical, communications, computer, document, personnel, and other security in relation to the work of the Board.

* * * * * * *

Subtitle G—Conforming and Other Amendments

SEC. 1071. CONFORMING AMENDMENTS RELATING TO ROLES OF DIRECTOR OF NATIONAL INTELLIGENCE AND DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY.

(a) * * *

* * * * * * *

(e) FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.—[(1)] The Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) is amended by striking "Director of Central Intelligence" each place it appears and inserting "Director of National Intelligence".

* * * * * * *

SEC. 1072. OTHER CONFORMING AMENDMENTS

(a) * * *

(b) CENTRAL INTELLIGENCE *AGENCY* ACT OF 1949.—Section 6 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403g) is amended by striking "section 103(c)(7) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(7))" and inserting "section 102A(i) of the National Security Act of 1947".

* * * * * * *

INTELLIGENCE REFORM AND TERRORISM PREVENTION ACT OF 2004

* * * * * * *

TITLE II—FEDERAL BUREAU OF INVESTIGATION

SEC. 2001. IMPROVEMENT OF INTELLIGENCE CAPABILITIES OF THE FEDERAL BUREAU OF INVESTIGATION.

(a) * * *

* * * * * * *

(c) NATIONAL INTELLIGENCE WORKFORCE.—(1) In developing and maintaining a national intelligence workforce under subsection (b), the Director of the Federal Bureau of Investigation shall, develop and maintain a specialized and integrated national intelligence workforce consisting of agents, analysts, linguists, and surveillance specialists who are recruited, trained, and rewarded in a manner which ensures the existence within the Federal Bureau of Investigation *of* an institutional culture with substantial expertise in, and commitment to, the intelligence mission of the Bureau.

* * * * * * *

(e) DISCHARGE OF IMPROVEMENTS.—(1) * * *

(2) The Director of the Federal Bureau of Investigation shall carry out subsections (b) through (d) under the joint guidance of the Attorney General and [the National Intelligence Director in a manner consistent with section 112(e)] *the Director of National Intelligence in a manner consistent with applicable law*.

(f) BUDGET MATTERS.—The Director of the Federal Bureau of Investigation [shall,] *shall* establish a budget structure of the Federal Bureau of Investigation to reflect the four principal missions of the Bureau as follows:

(1) * * *

* * * * * * *

SEC. 2006. FEDERAL BUREAU OF INVESTIGATION USE OF TRANSLATORS.

Not later than 30 days after the date of the enactment of this Act, and annually thereafter, the Attorney General of the United States shall submit to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives a report that contains, with respect to each preceding 12-month period—

(1) * * *

(2) any legal or practical impediments to using translators employed by [the] Federal, State, or local agencies on a full-time, part-time, or shared basis;

(3) the needs of the Federal Bureau of Investigation for [the] specific translation services in certain languages, and recommendations for meeting those needs;

* * * * * * *

TITLE 44, UNITED STATES CODE

* * * * * * *

CHAPTER 13—PARTICULAR REPORTS AND DOCUMENTS

Sec.
1301. Agriculture, Department of: report of Secretary.

* * * * * * *

[1336. National Imagery and Mapping Agency: special publications.]
1336. National Geospatial-Intelligence Agency: special publications.

* * * * * * *

[§ 1336. National Imagery and Mapping Agency: special publications]

§ 1336. National Geospatial-Intelligence Agency: special publications

The Director of the [National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency* may authorize the printing of notices to mariners, light lists, sailing directions, bulletins, and other special publications of the [National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency* in editions the interests of the Government and of the public may require.

* * * * * * *

SECTION 201 OF THE HOMELAND SECURITY ACT OF 2002

SEC. 201. DIRECTORATE FOR INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION.

(a) * * *

* * * * * * *

(f) DETAIL OF PERSONNEL.—

(1) * * *

(2) COVERED AGENCIES.—The agencies referred to in this paragraph are as follows:

(A) * * *

* * * * * * *

(E) The [National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency*.

* * * * * * *

SECTION 8H OF THE INSPECTOR GENERAL ACT OF 1978

* * * * * * *

SEC. 8H.(a)(1)(A) An employee of the Defense Intelligence Agency, the [National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency*, the National Reconnaissance Office, or the National Security Agency, or of a contractor of any of those Agencies, who intends to report to Congress a complaint or information with respect to an urgent concern may report the complaint or information to the Inspector General of the Department of Defense (or designee).

* * * * * * *

(g)(1) The Inspector General of the Defense Intelligence Agency, the [National Imagery and Mapping Agency] *National Geospatial-*

Intelligence Agency, the National Reconnaissance Office, and the National Security Agency shall each submit to the congressional intelligence committees each year a report that sets forth the following:

(A) * * *

* * * * * * *

SECTION 105 OF THE ETHICS IN GOVERNMENT ACT OF 1978

CUSTODY OF AND PUBLIC ACCESS TO REPORTS

SEC. 105. (a) Each agency, each supervising ethics office in the executive or judicial branch, the Clerk of the House of Representatives, and the Secretary of the Senate shall make available to the public, in accordance with subsection (b), each report filed under this title with such agency or office or with the Clerk or the Secretary of the Senate, except that—

(1) this section does not require public availability of a report filed by any individual in the Office of the Director of National Intelligence, the Central Intelligence Agency, the Defense Intelligence Agency, the [National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency*, or the National Security Agency, or any individual engaged in intelligence activities in any agency of the United States, if the President finds or has found that, due to the nature of the office or position occupied by such individual, public disclosure of such report would, be revealing the identity of the individual or other sensitive information, compromise the national interest of the United States; and such individuals may be authorized, notwithstanding section 104(a), to file such additional reports as are necessary to protect their identity from public disclosure if the President first finds or has found that such filing is necessary in the national interest; and

* * * * * * *

SECTION 7 OF THE EMPLOYEE POLYGRAPH PROTECTION ACT OF 1988

SEC. 7. EXEMPTIONS.

(a) * * *

(b) NATIONAL DEFENSE AND SECURITY EXEMPTION.—

(1) * * *

(2) SECURITY.—Nothing in this Act shall be construed to prohibit the administration, by the Federal Government, in the performance of any intelligence or counterintelligence function, of any lie detector test to—

(A)(i) any individual employed by, assigned to, or detailed to, the National Security Agency, the Defense Intelligence Agency, the [National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency*, or the Central Intelligence Agency,

* * * * * * *

SECTION 207 OF THE LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1993

SEC. 207. (a)(1) * * *

(2) Paragraph (1) does not apply to (A) individual printing orders costing not more than $1,000, if the work is not of a continuing or repetitive nature, and, as certified by the Public Printer, if the work is included in a class of work which cannot be provided more economically through the Government Printing Office, (B) printing for the Central Intelligence Agency, the Defense Intelligence Agency, [National Imagery and Mapping Agency] *National Geospatial-Intelligence Agency*, or the National Security Agency, or (C) printing from other sources that is specifically authorized by law.

* * * * * * *

MINORITY VIEWS

We join with our majority colleagues in the provisions of this bill that provide bipartisan support to critical national security programs protecting our nation in a time of continued struggle against worldwide threats posed by radical jihadists and others who seek to harm America and its interests. We have significant concerns, however, that aspects of this bill would begin to take us back to the failed, politically-based, policies of the 1990s that dangerously impaired our national security and intelligence capabilities by questionable allocation and underfunding of resources and significant "politically correct" restrictions and constraints on intelligence operations.

In numerous important respects, this bill fails to provide adequate support to intelligence community activities at the forefront of its ability to protect our national security. In the classified annex, the majority cuts human intelligence programs counter to the recommendations of the 9111 Commission, and significantly cuts certain specific initiatives related to America's efforts to counter radical jihadists and to support our nation's objectives in Iraq. In another key intelligence collection area, the bill would have dramatically cut key activities had a Republican amendment to preserve the resources for a vital classified national intelligence capability not succeeded. In yet another key area, a Democratic amendment would have terminated one of America's most essential programs—which has been conducted in full accordance with the law and under close oversight by the Committee—had it not been defeated after Republican opposition.

While it is not possible to describe these issues in greater detail due to the classified nature of the programs and the Schedule of Authorizations, these are the most significant shortcomings of the bill and we wish to strongly emphasize the importance of these programs and this funding in a time of continued threat. We are a nation locked in a struggle with radical jihadists, and facing continued uncertainty and other threats around the globe. Republicans will not diminish our support for a robust, empowered, and capable intelligence community that provides our first line of defense.

The Committee also failed to support the intelligence community and our national defense against attack by rejecting a Republican amendment to include important legislation to modernize the Foreign Intelligence Surveillance Act. This identical language passed the House of Representatives last year with bipartisan support. In fact, just over six months ago the bill was reported from this Committee by voice vote. The current legal framework governing electronic surveillance of foreign terrorists and spies is outdated. It significantly impairs the responsiveness of the intelligence community while simultaneously diverting resources away from protecting the privacy and civil liberties of Americans. Legal uncertainty with re-

spect to FISA continues to threaten our capabilities to detect and prevent potential terrorist acts, and it is critical for the Congress to act immediately to definitively clarify the statute to preserve necessary capabilities, control the exercise of authority by the Executive Branch affecting civil liberties, and forestall the possibility that the matter would be improperly legislated by unelected judges.

In addition to these significant shortcomings, we are concerned that this bill begins a return to the "politically correct" intelligence policies that undermined the capabilities of the United States IC in the 1990s. There is no better illustration of this problem than Section 407 of the bill, which would require the intelligence community to direct its resources to a National Intelligence Estimate on global climate change when answers to even fundamental questions about al Qaeda and such potential adversaries as Iran, North Korea, and China remain unknown due to their inherent challenge. The majority decries that investments in Iraq are undermining the IC's ability to provide information on other priorities around the world. We believe that studies such as this are far less important than emphasizing intelligence support to our military forces in harm's way.

In this bill, the intelligence community is not being asked to assess whether global warming is a reality; it is being asked to analyze supposed risks from global warming as an intelligence issue. The task of the intelligence community is to steal foreign secrets. Global climate change simply does not require clandestinely acquired, classified information or analysis. The United States is spending more than $6.5 billion in FY07 on global climate change. Thousands of reports have been paid for on global climate change across the U.S. government. Hundreds of universities and private organizations have written many more reports on climate change. This is not the time to force our intelligence professionals to waste scarce intelligence resources on trendy topics such as global warming for the purposes of "political correctness".

The bill would also significantly hamper the intelligence community for the purposes of making a political statement in Section 307, which would impose prescriptive and burdensome reporting requirements as a prerequisite to the implementation of a "pay for performance" personnel management system in the intelligence community. While as a general matter the overall performance of our personnel remains outstanding, specific examples of both publicly known and unknown shortcomings should make the desirability of such incentives to promote and reward urgency and innovation obvious. This initiative should not be delayed for the purposes of promoting political agendas. The Executive Branch has learned many lessons and corrected issues with earlier such efforts. The pilot program at issue would be pursued based on those lessons learned.

Finally, it is unfortunate that the Democratic majority killed Republican efforts to end—or in fact to even audit—wasteful spending funneled through the intelligence budget that could have been better directed to true national security interests. A Republican amendment would have followed the recommendation of the President's budget and provided for the termination of the National Drug Intelligence Center (with transfer of some functions). A for-

mal oversight report by the Committee on Government Reform last year concluded that NDIC is "an expensive and duplicative use of scarce Federal drug enforcement resources." [1] The report noted that the agency overlaps with already-existing drug intelligence centers such as the Drug Enforcement Administration's El Paso Intelligence Center. Critics also questioned why a federal intelligence center would be physically located so far—in Johnstown, Pennsylvania—from every other Federal drug enforcement agency.

The Democratic majority rejected this amendment even though nearly $400 million has been spent on this program that media reports have called a "boondoggle". When the amendment failed, Republicans then offered an amendment to have the Department of Justice Inspector General conduct a neutral audit of whether the National Drug Intelligence Center in fact duplicates functions carried out by other components of the Department of Justice. Without any substantive explanation, even this wholly uncontroversial proposition to explore potential waste and abuse was rejected by a party-line vote.

The annual Intelligence Authorization Act ultimately should seek to provide the fullest possible support to America's intelligence community to protect the national security interests of the United States on behalf of all Americans, and not to advance political or parochial interests. While many of the provisions of this bill deserve our support for doing so, it is important to emphasize our significant concern with the elements of the legislation that do not.

In addition, we are concerned at an unusual partisan or political tone to certain specific provisions of the majority's report. We wish to clarify and provide our view on these important issues.

TERRORIST SURVEILLANCE PROGRAM

Although the issue may appear to be simply one of partisan semantics, the irresponsible use by the majority of the political term "The President's Domestic Surveillance Program" to describe an ongoing initiative to detect and prevent potential terrorist attacks in the United States is inaccurate, alarmist, and deserves public clarification. The term, of course, evokes images of the President personally conducting unfettered snooping on private conversations between ordinary Americans for purposes that it is implicitly suggested must be nefarious.

Democratic Committee members have been fully and extensively briefed on this program, as has the current Speaker of the House since its inception. Because of its clear importance to national security, none have called for it to be ended, and the majority should know full well that its implicit fearmongering is contrary to the facts. As has publicly been explained on repeated occasions, the Terrorist Surveillance Program is limited to international communications between a user in the United States and one in a foreign country, and only where probable cause is established to believe that one end of the conversation is associated with al Qaeda or affiliated terrorists. The program—which is now subject to the approval of the Foreign Intelligence Surveillance Court—is carried

[1] H. Rpt. 109–434, "2006 Congressional Drug Control Budget and Policy Assessment: A Review of the 2007 National Drug Control Budget and 2006 National Drug Control Strategy," Committee on Government Reform, April 25, 2006, at 90.

out by career professionals for the limited purpose of detecting terrorists and potential attacks. The procedures and constraints which govern it to protect civil liberties are extensive, as has been recognized on a bipartisan basis by members of the Privacy and Civil Liberties Oversight Board. As Democrat Lanny Davis pointed out, "If the American public, especially civil libertarians like myself, could be more informed about how careful the government is to protect our privacy [in this program] while still protecting us from attacks, we'd be more reassured."[2]

As we noted above, there are significant, serious, and substantive issues involving the Foreign Intelligence Surveillance Act that require immediate and careful attention. As the proxies for the American people with respect to these classified and highly sensitive matters, the Committee should seek to help inform the American people on these issues as Mr. Davis suggested rather than to alarm and mislead them.

AL QAEDA

The Committee Report includes four puzzling sentences about the threat from al Qaeda. The majority says that it "is not satisfied with efforts to defeat the al Qaeda network", specifically noting worldwide al Qaeda activity. At the same time, however, the majority claims that increased Iraq-related intelligence requirements have drained resources from the fight against al Qaeda. This contradicts the April 2006 National Intelligence Estimate, "Trends in Global Terrorism: Implications for the United States," which said in its declassified key judgments:

> Al-Qa'ida, now merged with Abu Mus'ab al-Zarqawi's network, is exploiting the situation in Iraq to attract new recruits and donors and to maintain its leadership role.

It should be beyond dispute that the struggle against radical jihadists is a global and unified one, and that Iraq is a critical front—a front that al Qaeda itself has specifically stated as its priority. On April 26, 2007, General David Petraeus noted that "Iraq is, in fact, the central front of al Qaeda's global campaign." The January, 2007, National Intelligence Estimate on Iraq assessed that if a rapid withdrawal of U.S. forces from Iraq were to take place, "AQI would attempt to use parts of the country—particularly al-Anbar province—to plan increased attacks in and outside of Iraq * * *" In January, CIA Director Hayden testified in the Committee that "I strongly believe [U.S. failure in Iraq] would lead to al Qaeda with what it is they said is their goal there, which is the foundations of the caliphate, and in operational terms for us, a safe haven from which then to plan and conduct attacks against the West."

The majority significantly misapprehends the potential threat from al Qaeda in Iraq and proposes in the classified annex to decrease intelligence funding the President has requested to fight al Qaeda in Iraq. It is important to emphasize that the problem of sectarian violence in Iraq cannot be separated from the threat from

[2] Solomon, "Oversight Board Told of Privacy Protections," Associated Press, November 28, 2006. (*http://www.boston.com/news/nation/washington/articles/2006/11/28/oversight_board_told_of_privacy_protections/*), accessed May 4, 2007.

al Qaeda, because al Qaeda's explicit goal is to create sectarian violence to destabilize the government so they can establish a safe haven within the country. It should be clear that the intelligence requirements in Iraq are specifically supporting the fight against al Qaeda.

IRAQ

The majority attempts to influence the priority and output of analysis by the intelligence community by suggesting a specific analytical framework, selectively citing elements of a careful and balanced National Intelligence Estimate to suit its political objectives. Specifically, the majority faults the Intelligence Community for not providing intelligence assessments of the implications of various ways Democrats have proposed that the United States withdraw from Iraq.

This criticism amounts to political pressure on the intelligence community. Intelligence analysts should follow the evidence where it leads them and draw the appropriate conclusions. They should not be subjected to criticism—unrelated to any authorization or legislative text of the bill—because they did not write papers that conform to the foreign policy assumptions and positions of the majority.

IRAN AND NORTH KOREA

The majority's view on Iran and North Korea represents an improvement in its realization about the seriousness of the threat from these nations' nuclear weapons programs. Just last fall, for example, some Democratic members denounced as too alarmist a bipartisan Committee report on Iran that discussed the threat from its nuclear weapons program and raised questions about Intelligence Community analysis. They had similar criticism for a HPSCI report on North Korea.[3] Since then, the Iran report was proven right by new revelations about Iranian behavior. We are grateful that the majority now is beginning to recognize the reality of the threats posed by both Iran's and North Korea's nuclear programs and the reliability of the reports the Republican majority stewarded on a bipartisan basis.

However, the Committee report language on Iran is off the mark in claiming that U.S. removal of rival regimes has turned Iran into a regional hegemon, apparently because of the fall of the Saddam Hussein and Taliban regimes. This language bizarrely attempts to blame America for the radical agenda of the Iranian leadership, even though President Ahmadinejad's philosophy may date as far back as the 1979 hostage crisis. Apparently, the majority believes that the region would be better off if the Taliban and Saddam were still in power.

While we agree that intelligence analysis on North Korea and Iran needs improvement, we regard the requirement for quarterly reports on these nations as unnecessarily burdensome since the Committee is already regularly briefed on these topics. The additional legislated requirement could actually detract from the quality of information provided to the Committee by providing such a

[3] Subsequent to the Committee's report, North Korea tested a nuclear device.

rigid, specified structure. Moreover, the intelligence community provided the Committee with over a dozen written reports on each country over the last year. We believe there are more important projects our intelligence analysts could be spending their time on instead of writing reports for Congress that duplicate what they are already providing.

COLOMBIA

The majority claims that "[f]lew strategic victories have been won against the drug traffickers and paramilitiaries" in Colombia—a breathtakingly inaccurate mischaracterization of the facts. While the situation in Colombia remains complex, just last month Democratic Western Hemisphere Subcommittee Chairman Eliot Engel recognized "the impact that Plan Colombia has had in reducing homicides, kidnappings and massacres, particularly under President [Alvaro] Uribe. Kidnappings in Colombia are down by 76 percent since 2000 and homicides are down by 40 percent." He also noted that Colombian coca cultivation fell 47% from 2000 to 2005.[4]

Former Speaker of the House J. Dennis Hastert testified at the same hearing that "In every significant category Columbia is improving: rates of homicides, kidnappings, acts of terrorism, and displaced persons are all significantly down. Conversely, school enrollment, GDP, unemployment and poverty rates, and beneficiaries of public health care have considerably improved." Speaker Hastert further pointed out that "wholesale heroin purity seized at major U.S. ports of entry has sharply declined in recent years, suggesting a reduction in Colombian heroin production. Furthermore, according to ONDCP, there is a continuing decline in purity for cocaine in the U.S. * * * In part, this has led to a 23% decrease in overall youth drug use since 2001.[5]

We wish to correct and clarify the record on these issues.

PETER HOEKSTRA.
TERRY EVERETT.
ELTON GALLEGLY.
MAC THORNBERRY.
JOHN M. MCHUGH.
MIKE ROGERS.
DARRELL ISSA.

[4] Opening Statement of Chairman Eliot L. Engel, "U.S.-Colombia Relations," Committee on Foreign Affairs Subcommittee on the Western Hemisphere, April 24, 2007.

[5] Statement by Representative J. Dennis Hastert, "U.S.-Colombia Relations," Committee on Foreign Affairs Subcommittee on the Western Hemisphere, April 24, 2007.

ADDITIONAL VIEWS OF THE CHAIRMAN

I am disappointed by the tone and substance of the Minority Views.

The Committee worked on a bipartisan basis to help set the funding levels for key intelligence programs in this bill. These programs would help detect and disrupt the plans of America's enemies. It is strange that instead of expressing support for these vital programs, the Minority has chosen to make this a political issue. Politicizing intelligence is a practice that has harmed America's national security, and the Committee strongly urges the Minority to reject this approach.

The Minority claims that this bill "significantly cuts certain specific initiatives related to America's efforts to counter radical jihadists." In a press statement, the Ranking Minority Member has referred to "deep cuts to classified CIA programs." I invite Members to review the classified annex of the legislation to see how misleading these statements are. In fact, in the FY 2007 Authorization, the Minority voted to cut the same CIA programs by the same percentage.

Additionally, the Committee added funding and support for key programs to analyze critical intelligence on terrorist activities. The total FY 2008 budget request for CIA programs was trimmed by less than 2% to eliminate wasteful spending on programs some of which have come under criticism by both the Majority and Minority.

The work of this Committee and its oversight responsibilities should never be politicized. The national security of this country is too important for that.

SILVESTRE REYES.