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AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 1998 FOR THE INTELLIGENCE ACTIVITIES OF THE UNITED STATES GOVERNMENT AND THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM AND FOR OTHER PURPOSES

JUNE 9, 1997.—Ordered to be printed

Mr. SHELBY, from the Select Committee on Intelligence,  
submitted the following

### REPORT

[To accompany S. 858]

The Select Committee on Intelligence, having considered the original bill (S. 858), which authorizes appropriations for fiscal year 1998 for the intelligence activities and programs of the United States Government and the Central Intelligence Agency Retirement and Disability System, and which accomplishes other purposes, reports favorably thereon and recommends that the bill do pass.

#### PURPOSE OF THE BILL

This bill would:

(1) Authorize appropriations for fiscal year 1998 for (a) the intelligence activities and programs of the United States Government; (b) the Central Intelligence Agency Retirement and Disability System; and (c) the Community Management Account of the Director of Central Intelligence;

(2) Authorize the personnel ceilings as of September 30, 1998, for the intelligence activities of the United States Government and for the Community Management Account of the Director of Central Intelligence;

(3) Authorize the Director of Central Intelligence, with Office of Management and Budget approval, to exceed the personnel ceilings by up to two percent;

(4) Extend for two additional years the President's authority to delay the imposition of proliferation-related sanctions when necessary to protect an intelligence source or method or an ongoing criminal investigation;

(5) Direct the Director of Central Intelligence to conduct a survey of standards for foreign names and places in intelligence reporting and to issue guidelines to ensure community-wide continuity;

(6) Authorize the head of a department or agency having jurisdiction over an element in the intelligence community or the head of an element of the intelligence community to detail their employees to serve in the Intelligence Community Assignment Program;

(7) Encourage the disclosure of certain information to Congress by employees of the executive branch and employees of contractors carrying out activities under classified contracts;

(8) Ensure that the United States Government takes all appropriate actions to make available to victims and families of victims, information regarding violent crimes committed against United States citizens abroad; and

(9) Authorize the Central Intelligence Agency to enter into multi-year leases subject to the availability of appropriations.

#### THE CLASSIFIED SUPPLEMENT TO THE COMMITTEE REPORT

The classified nature of United States intelligence activities prevents the Committee from disclosing the details of its budgetary recommendations in this Report.

The Committee has prepared a classified supplement to this Report, which contains (a) the classified annex to this Report and (b) the classified schedule of authorizations which is incorporated by reference in the Act and has the same legal status as a public law. The classified annex to this report explains the full scope and intent of the Committee's actions as set forth in the classified schedule of authorizations. The classified annex has the same status as any Senate Report, and the Committee fully expects the Intelligence Community to comply with the limitations, guidelines, directions, and recommendations contained therein.

This classified supplement to the Committee Report is available for review by any Member of the Senate, subject to the provisions of Senate Resolution 400 of the 94th Congress.

The classified supplement is made available to the President who shall provide for suitable distribution within the Executive Branch.

#### SCOPE OF COMMITTEE REVIEW

The Committee conducted a detailed review of the Administration's three major intelligence budget requests for fiscal year 1998: the National Foreign Intelligence Program (NFIP) of the Director of Central Intelligence; the Joint Military Intelligence Program (JMIP) of the Deputy Secretary of Defense; and the Tactical Intelligence and Related Activities (TIARA) of the Military Services. The Committee's review included a series of briefings and hearings with senior intelligence officials, numerous staff briefings, review of budget justification materials, and numerous written responses provided by the Intelligence Community to specific questions posed by the Committee.

In addition to its annual review of the Administration's budget request, the Committee performs continuing oversight of various intelligence activities and programs, to include the conduct of au-

ditions and reviews by the Committee's audit staff. For example, the Committee has recently concluded audits of the CIA Inspector General's Office and a major NRO program. These inquiries frequently lead to actions initiated by the Committee with respect to the authorities, applicable laws, and the budget of the activity or program concerned.

As a result of a Memorandum of Agreement entered into in 1996 between the leadership of the Senate Select Committee on Intelligence (SSCI) and Senate Armed Services Committee (SASC), the Committee is including its recommendations on both JMIP and TIARA in its public report and classified annex. The SSCI has agreed that JMIP and TIARA issues will continue to be authorized in the defense authorization bill. The SASC has agreed to involve the SSCI staff in staff-level defense authorization conference meetings and to provide the Chairman and Vice Chairman of the SSCI the opportunity to consult with the SASC Chairman and Ranking Member before a JMIP or TIARA issue is finally closed out in conference in a manner with which they disagree. The Committee looks forward to continuing its productive relationship with the SASC on all issues of mutual concern.

#### COMMITTEE RECOMMENDATIONS

Most of the Committee's specific recommendations related to the Administration's budget request for intelligence and intelligence-related activities are classified. This includes the amount of the total fiscal year 1998 budget request, as well as any comprehensive treatment of program elements. However, the Committee is committed, consistent with security considerations, to making its concerns and priorities for intelligence public to the extent possible. Further recommendations, as well as classified details on these unclassified recommendations, are provided in the classified annex accompanying this bill.

#### NATIONAL FOREIGN INTELLIGENCE PROGRAM

##### *Areas of committee emphasis*

The Committee has continued its bipartisan efforts to "right-size" and "re-tool" U.S. Intelligence Community programs and activities to reflect the new, post-Cold War era threats and challenges to U.S. national security.

Specifically, the Committee recommends important new investments and initiatives in certain high-priority areas. These include: aggressive efforts in what the committee chairman has called the "five C's" (counter-proliferation, counter-narcotics, counter-terrorism, counter-intelligence, and covert action); bolstering advanced research and development across the Intelligence Community to maintain the U.S. technological edge; improving the skills and tools of clandestine service personnel; developing new and innovative approaches to understanding "hard target" countries; and enhancing analytical capabilities as well as tools for conducting information operations.

The Committee recommends significant funding increases in each of the priority areas listed above. At the same time, however, the Committee recommends reductions in lower-priority, poorly jus-

tified, or programs and activities that cannot be executed. Details of the Committee's recommendations are included in the Classified Annex accompanying this report.

*NRO financial management*

The Committee continues to watch closely the financial management of the National Reconnaissance Program. In order to gain a fuller understanding of the effect of Congressionally-directed and NRO-directed actions, the Committee conducted an audit of the financial management of one large classified program within the NRO. While noting that the NRO has made significant strides in improving its financial management posture, the audit also identified several areas where improvements could be made in the financial management of this program, as well as other NRO programs. The audit also concluded that the added reporting requirements created by the new NRO policies and procedures have not created an unnecessary or excessive burden upon the classified Program Office.

The Committee believes the Director, NRO, must continue to pursue aggressively better financial management procedures. The initial phases of the comprehensive new Financial Management System must be in place and operational by October 1, 1997, and follow-on system capabilities, such as an integrated budget tool, should be added as soon as possible thereafter. The National Reconnaissance Program section of the classified annex to this report includes recommendations for several actions intended to further strengthen NRO financial management.

*Report on foreign counterintelligence reform in the FBI*

The Committee is concerned that the Bureau has not adequately addressed the recommendations of the Department of Justice Inspector General included in "A Review of the FBI's Performance in Uncovering the Espionage Activities of Aldrich Hazen Ames." The Committee understands that the Bureau has incorporated some of the Inspector General's recommendations into its operating procedures. The Bureau has not, however, assured the Committee that it intends to give serious consideration to the remaining recommendations. Therefore, not later than 90 days after the date of the enactment of this Act, the Director of the Federal Bureau of Investigation shall submit to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives a report on the Department of Justice Inspector General's recommendations contained in "A Review of the FBI's Performance in Uncovering the Espionage Activities of Aldrich Hazen Ames." This report shall provide a thorough analysis of each of the recommendations and include the Director's position with respect to each recommendation. Should the Director disagree with a particular recommendation, the reasons for such dissent shall be provided. Further, the report shall contain any actions taken by the Director in response to each of the Inspector General's recommendations.

*Providing intelligence to the warfighter: The Khamisiyah experience*

The Khamisiyah experience revealed the need for the Intelligence and Defense Communities to improve the provision, handling, and use of intelligence information during a crisis situation. The Select Committee on Intelligence has undertaken an investigation into Intelligence Community warnings to the U.S. Army about chemical warfare agents at Khamisiyah, Iraq, in 1991 and suspicions that U.S. forces conducting demolition activities to the site may have been exposed to Chemical Weapons (CW) agents. Our preliminary review indicates substantial mismanagement and lack of communication among elements of the military and the Intelligence Community regarding information and warnings provided on Iraqi CW facilities, including Khamisiyah, as well as in the use made of this information. Intelligence support associated with Operations Desert Shield and Desert Storm, particularly in the area of information distribution and analysis, was often spotty, inconsistent, and slow. In addition, there were problems with multiple databases; inconsistent foreign language place names; limited sharing of sensitive but vital information; and incomplete searches of files in preparing lists of known or suspect CW facilities in Iraq. The Committee addresses the problem of inconsistent place names in Section 308 by directing the Director of Central Intelligence to issue guidelines to ensure the use of uniform spelling of foreign names and places and the uniform use of geographic coordinates. This should alleviate the problem of locating geographic places when searching intelligence reports, products, and databases in the future.

The Committee directs the Director of Central Intelligence to submit to the Senate Select Committee on Intelligence, the Senate Committee on Armed Services, and the Senate Defense Subcommittee on Appropriations, no later than March 1, 1998, a report that identifies the specific actions that have been taken or are being taken to enhance cooperation between Department of Defense and the Intelligence Community by improving the provision, handling, and use of intelligence information in preparation for, during, and after battle. Such a report shall include those steps that intelligence agencies are undertaking to reconcile information in databases in order to eliminate confusion over potential targets (facilities and other sites). It shall also include a review of how intelligence components handle sensitive information and of their procedures for deciding how and what vital information to share with others. Further, the report shall contain an enumeration of those steps that intelligence agencies are undertaking to ensure that information searches are more thorough in order to provide military commanders on the ground with complete and timely information.

*Threats to the United States—Estimate*

The Committee is concerned that there exists no recent, comprehensive Intelligence Community estimate on the present and emerging threat of terrorist or other “non-traditional” attacks against North America using weapons of mass destruction (WMD). The Committee also notes that the November 1995 National Intelligence Estimate (NIE) on missile threats to North America is based on information and analysis that is now two years old. The

Committee believes that a new and updated analysis is required. Given the critical importance of the subject matter, and the rapid pace of technological change, the Committee believes, further, that these analyses should be updated on an annual basis.

In his unclassified confirmation testimony before the Committee, the Acting DCI committed to prepare annual National Intelligence Estimates or comparable reports on (1) the ballistic and cruise missile threats to the United States, and (2) the threat to the United States of “non-traditional” attacks using chemical, biological, or nuclear weapons delivered by means other than by ballistic or cruise missiles. The Committee welcomes the ADCI’s commitment in this regard, and looks forward to reviewing these products. These estimates should be provided to the congressional Intelligence Committees annually, on or before February 15, with the first report to be submitted on or before February 15, 1998.

The annual estimate on the “non-traditional” WMD threat to the United States shall include, at a minimum:

- (1) The current threat of an attack against the United States using a weapon of mass destruction, including the ability of terrorist groups or hostile governments to produce and deliver to the United States a WMD, or the components thereof;
- (2) The degree to which the threat will increase by the year 2010;
- (3) The sources of the threat;
- (4) The potential delivery means of carrying out a WMD attack against the United States;
- (5) The relative feasibility of different means of delivery and the probability that such an attack against the United States would use ballistic missiles, cruise missiles or any other means of delivery; and
- (6) The vulnerability of the United States to such an attack, including, but not limited to, the ability of terrorist groups or hostile governments to clandestinely transport into the United States a WMD or the components necessary to construct a WMD, and the capability of the United States to detect and intercept the importation of such a weapon.

Not later than March 15, 1998, the President shall submit to the congressional Intelligence Committees a report that identifies the funds appropriated in Fiscal Year 1998 and requested in the Fiscal Year 1999 budget to defend the United States against a nuclear, biological or chemical weapons attack using ballistic missiles, cruise missiles or any other means of delivery.

#### JOINT MILITARY INTELLIGENCE PROGRAM

##### *National Imagery and Mapping Agency*

The National Imagery and Mapping Agency (NIMA) was established in law in the Department of Defense Authorization Act for Fiscal Year 1997 and is jointly funded within the Joint Military Intelligence Program (JMIP) and the National Foreign Intelligence Program (NFIP).

In creating NIMA, the Congress recognized the primary need to create a single agency to ensure that timely, relevant, and accurate imagery, imagery intelligence and geospatial information was pro-

vided to support our national security objectives, policy decisions, and mapping requirements.

There are two areas that remain of consistent concern to the Committee. The first is related to the dissemination of satellite and airborne imagery below the Joint Task Force level. One of the most important lessons learned from Operation Desert Storm was the need to rapidly disseminate imagery to the lowest levels required. It has been six years since the allied victory in the Gulf, and little progress has been made to correct this problem. A significant component of the imagery dissemination shortfall, however, is the lack of upgraded communications capabilities through which imagery and other intelligence related information can be transmitted to the users. The collection and production of imagery products is only valuable if it can be transmitted to those who need it the most.

The second area of concern is the use of commercial, civil and foreign (CCF) imagery to meet many of our needs. The Committee's interest in the use of CCF imagery dates back to 1993. Over the ensuing four years, the Department of Defense and CIA have been urged to more aggressively pursue the use of CCF imagery, with little or no result. The Committee notes that the Defense Science board 1996 summer Study, "Achieving an Innovative Support Structure for 21st Century Military Superiority," made a strong recommendation to rely more on commercial imagery. In spite of this recommendation and prodding by the Congress, we are only acquiring a very small amount of CCF imagery per year, which is far below industry capacity to support our needs.

The Committee has received a report from NIMA indicating that a Commercial Imagery Implementation Team will report to the Director of NIMA in June of 1997 regarding a strategy for increased utilization of CCF imagery. It is the Committee's intent to review this implementation plan in detail prior to making final recommendations on funding for NIMA for fiscal year 1998.

#### *Tactical unmanned aerial vehicle*

Providing a reliable tactical unmanned aerial vehicle (TUAV) to conduct reconnaissance, surveillance, and target acquisition in support of maneuver battalion and brigade commanders and naval commanders remains a Congressional priority. Unfortunately, the Committee received testimony on the Outrider TUAV program indicating serious difficulty in the current Advanced Concept Technology Demonstration (ACTD) program. As a result, it has become apparent that the current schedule cannot be maintained.

Therefore, the Committee recommends a reduction of \$75.0 million in the fiscal year 1998 RDT&E request for Outrider. More than \$34.0 million in fiscal year 1997 funds remain unobligated at this time. The fiscal year 1997 balances combined with a reduced fiscal year 1998 authorization should be sufficient to maintain an ACTD of reduced scope. Also, the Committee has learned that existing unmanned aerial vehicles in production may meet most, if not all, of the requirements of maneuver battalion and brigade commanders. The Committee recommends that the Defense Airborne Reconnaissance Office (DARO) explore an existing UAV as an alternative to Outrider.

*Joint airborne SIGINT architecture*

The Advanced Sensors project under JASA calls for \$52.6 million in fiscal year 1998 to continue A-kit development for Joint SIGINT Avionics Family (JSAF) integration and testing. The A-kit modifications include wiring, antennas, and infrastructure within an aircraft.

The Committee questions the amount requested. The EP-3 is the prototype for JSAF as is scheduled for delivery in fiscal year 1997. Therefore, the A-kit development for EP-3 should be largely completed. Additionally, Global Hawk is an unmanned aerial vehicle that is not scheduled to make its initial test flight until late fiscal year 1997 or fiscal year 1998. Approving \$9.6 million for A-kit development on an air vehicle that has yet to fly seems premature at this time. As a result of these concerns, the Committee believes that this request can be reduced by \$10.0 million.

*Joint SIGINT avionics family enhancements*

The Joint SIGINT Avionics Family (JSAF) was structured as an evolutionary development program. The steps in the evolution were defined primarily by three factors: available funds, technology, and total development risk. The committee feels that the program, as presently structured, is resource constrained rather than limited by technological shortcomings or developmental risk. The capabilities selected initially were those that met high priority operational needs for which the current systems have limited or no capability. The Committee has learned that certain capabilities were omitted from the initial increment even though the technologies are mature. One such example is the complete family of PROFORMA signals.

Another area of concern to the Committee is the significant number of platforms that are not programmed to receive any JSAF upgrades. The JSAF was designed as a modern interoperable family of SIGINT suites that could be scaled to support a variety of Service collection platforms. The proven operational benefits of commonality and interoperability would suggest that all DOD collection platforms should adopt a common architecture where possible. Funding for the initial studies for a JSAF compliant Senior Scout system has been addressed in Air Force TIARA, and the Committee recommends that \$4.0 million be provided to undertake the necessary studies for other platforms.

The Committee has also learned that the schedule for delivery of JSAF configured platforms can be accelerated substantially with a modest increase in funds. Specifically, the delivery schedule completion of the current planned JSAF configured platforms could be moved up from fiscal year 2007 to fiscal year 2005. The Committee believes that an accelerated schedule should be adopted and that potential savings can be obtained by such an alteration in the delivery schedule.

During the initial planning for the Joint Airborne SIGINT Architecture, it was unclear as to whether or not a digital approach to ELINT was viable. Recent developments at Wright Laboratories have demonstrated the viability of this approach. The Committee recommends \$5.0 million be provided to commence a risk reduction effort to create a digital capability in the High Band Subsystem

(HBSS) and the remaining \$36.0 million be applied to schedule acceleration of the initial platforms programmed for JSAF configuration.

#### *RC-135 engine replacement*

Replacing the engines in the KC-135 fleet with more efficient CFM-56 engines has long been supported by the Congress. In FY96, however, the Congress provided the first funds to re-engine RC-135 aircraft. After careful review of the operational tempo (OPTEMPO) of the RC-135 fleet, the Committee believes that the priority should be shifted to the RC-135 fleet. At the present time, the RC-135 fleet consists of 21 aircraft and will grow to 23 aircraft with the delivery of Rivet Joint 15 and 16.

The OPTEMPO requirements for the RC-135 fleet in support of the unified combatant commands has resulted in use rates of more than three times those of the KC-135 fleet. The Air Force estimates that the annual savings in operations and maintenance costs from replacing the engines on the RC-135 fleet would pay for the cost of replacing the engines on the 23 aircraft in less than seven years. Accordingly, the Committee recommends \$100.0 million in FY1998 to re-engine four RC-135 aircraft.

#### *Rivet Joint cabin equipment air temperature environment*

Adequate air conditioning necessary to cool Rivet Joint mission equipment and provide for crew comfort has long been difficult to maintain. This results from two factors. The first is related to the amount of onboard equipment carried on Rivet Joint required to perform its primary mission. This equipment relies primarily on copper wiring which is a source of much of the heat generated by the equipment. The second factor is related to the outdated engines currently in use on Rivet Joint. As mission requirements have changed and expanded over the years, more equipment has been added to the aircraft, which has added significantly to the heat load. In turn, the majority of conditioned air, by necessity, must be dedicated to cooling the equipment. The result is wide fluctuations in the temperature range within the crew compartment.

In addition to the planned installation of a new family of SIGINT equipment on Rivet Joint, there are two solutions to the problem. The first is the CFM-56 engine upgrade which has been addressed elsewhere in this report. The second solution requires the installation of additional skin heat exchangers. The Rivet Joint program office has developed a new skin heat exchanger that is significantly more efficient than those currently installed on the aircraft. Installing two of these heat exchangers on a Rivet Joint adds the equivalent of about three tons of conditioned air per hour.

The Committee has learned that these kits can be installed in the field at low cost to the immediate benefit of the crews. Therefore, the Committee recommends an additional \$6.0 which will fund new heat exchangers for the entire Rivet Joint fleet.

#### *RC-135 Rivet Joint theater airborne warning system*

The ability to detect and track theater ballistic missile launches, provide accurate launch site data for counter-attack, and provide impact point data is critical to the warfighter. Last year, the Com-

mittee received a proposal to transfer medium wave infrared (MWIR) sensor technology from Cobra Ball to the RC-135 Rivet Joint fleet as a way of providing the theater commander with a low cost fused and space-based airborne infrared capability.

As a result of Congressional interest, the Ballistic Missile Defense Office (BMDO) conducted a review of requirements for theater ballistic missile launch detection and tracking capabilities and evaluated three candidate technologies. The candidate technologies were placing MWIR on Rivet Joint, the Extended Airborne Global Launch Evaluator (EAGLE) on AWACS aircraft, and the Airborne Laser Sensor.

The BMDO recommended termination of MWIR and EAGLE as candidates and pursuit of the Airborne Laser Sensor option. The Committee notes, however, that the Airborne Laser Sensor will not be deployed until well after the turn of the century. Also, the Senate Armed Services Committee received testimony from the Commander-in-Chief of U.S. Space Command in support of theater airborne warning systems as an interim capability until more capable airborne and space based systems can be fielded. To meet these interim requirements, the Committee recommends an additional \$20.0 million to fund nonrecurring engineering costs and to equip two Rivet Joint aircraft with MWIR sensors.

#### *Airborne reconnaissance recapitalization*

The Committee remains concerned about the lack of modernization for airborne reconnaissance aircraft. These assets all have high utilization rates requiring large sustainment costs on an annual basis. The high cost of sustainment of these platforms limits the investment in upgrades that will improve capabilities and readiness, while potentially reducing the cost of ownership. For example, as the Committee has noted previously, the Air Force estimates that replacing the engines on the RC-135 fleet with CFM-56 engines would reduce operations and maintenance (O&M) costs to such a degree that the annual savings in O&M funds would pay for the cost of replacing the engines in less than seven years.

The Committee believes that a long-term airborne reconnaissance recapitalization plan is required to provide funds for needed upgrades to Rivet Joint, U-2, and EP-3 and recommends that the Director Defense Airborne Reconnaissance Office and the military services develop such a plan. Expanded use of commercial off-the-shelf (COTS) items, streamlined management arrangements, optimized maintenance schedules, and reductions in contractor field service representatives should help reduce the cost of ownership. These savings could then be applied to systems upgrades.

#### *Interferometric synthetic aperture radar*

A radar imaging system that merges radar images of a target from difference angles is capable of producing highly accurate three-dimensional images. Maps that display target areas in altitude, latitude and longitude are invaluable to pilots who must fly low level missions in unfamiliar terrain. This form of mapping can also improve the accuracy of precision guided munitions. The technique is known as interferometrics and was jointly tested in Bosnia

in support of U.S. ground forces by the Army and the Defense Advanced Research Projects Agency (DARPA).

The Committee finds this technology promising and believes that further development in fiscal year 1998 is warranted. To this end, the Committee recommends that \$6.0 million be provided to begin development of IFSAR capabilities for the U-2 and High Altitude Endurance UAV's

#### *Common Automatic Recovery System*

The Department of Defense Authorization Act for Fiscal Year 1997 provided funds to purchase the Common Automatic Recovery System (CARS) for the Predator UAV. Funds provided last year were sufficient to acquire seven of the twelve systems. The Committee recommends \$3.5 million to purchase five more CARS and \$4.5 million for initial logistics support for Predator.

While these funds are not sufficient to fully fund the costs of fielding Predator, the Committee expects the Administration's budget request for fiscal year 1999 to contain funds to continue procurement of initial logistics support, pay retrofit costs, and acquire Predator system introduction requirements such as training and technical manuals.

#### *Global Hawk production gap*

Global Hawk is a Department of Defense Advanced Concept Technology Demonstration (ACTD) program designed to rapidly develop a conventional High Altitude Endurance Unmanned Aerial Vehicle (HAE-UAV). The program was begun in October 1994 when the Defense Advanced Research Projects Agency awarded design contracts to five teams with the intent to award two fly-off contracts. A single team was selected in May 1995 due to a lack of funds.

The contractor and the Department of Defense are currently restructuring the program to include both Global Hawk and Dark Star in the Phase III demonstration program. The current budget, however, was developed prior the restructuring of the program. The Department of Defense estimates that the Global Hawk program is underfunded by \$25.0 million in fiscal year 1998. This in turn will delay the program by one year, or longer. In an effort to maintain the projected schedule, the Committee recommends an additional \$25.0 million for Global Hawk for fiscal year 1998.

#### *Dark Star High Altitude Endurance UAV*

Dark Star is the Low Observable High Altitude Endurance Unmanned Aerial Vehicle (HAE-UAV) portion of the Advanced Concept Technology Demonstration (ACTD) for HAE-UAV's. It should be noted that the Dark Star program, because of its design as a Low Observable platform, entails a much higher level of technological risk than a platform based on conventional aircraft design, such as Global Hawk. The Department of Defense's long struggle with the development of a successful tactical unmanned aerial vehicle causes concern when stealth technologies must supplant conventional aircraft designs, and the Dark Star program has proven those concerns valid. While the Committee strongly supports UAV technology, the crash of a test vehicle, reports that Dark Star's ac-

tual radar cross section may be understated, and contractor proposals to substantially restructure the program, indicate that the Congress should reevaluate the program.

Funds requested for fiscal year 1998 will complete air vehicles number three and four. Initial fabrication of air vehicles five and six would also be undertaken with fiscal year 1998 funds. The Committee supports completion of air vehicles three and four, but construction of additional air vehicles prior to further flight testing is premature. Therefore, the Committee recommends a reduction of \$20.0 million in the Dark Star program and a prohibition against acquisition of air vehicles five and six in fiscal year 1998.

#### *Defense Airborne Reconnaissance Office*

The Defense Airborne Reconnaissance Office (DARO) was created in November 1993 as the primary Department of Defense (DOD) management oversight office for all joint military department and defense-wide manned and unmanned reconnaissance capabilities. These capabilities include platforms, sensors, data links, data relays, and ground stations. The DARO was placed under the authority of the Under Secretary of Defense for Acquisition and Technology to bring attention, order, and efficiency to the development and acquisition of the airborne reconnaissance capabilities.

Created less than four years ago, the DARO has demonstrated effective management of resources and programs. One of the hallmarks of effective business practices in centralized decision making coupled with decentralized execution. This has been a DARO trademark. One of the most important issues in defense programming is interoperability. Failures in this area are too numerous to list here. The DARO, however, has ensured that interoperability and commonality are designed into new capabilities rather than considered after the fact.

For example, the Common Imagery Ground/Surface System (CIGSS) was established by the DARO to supplant the Joint Service Imagery Processing System (JSIPS) program. Due to diverging Service requirements, JSIPS was experiencing substantial cost increases. The DARO restructured the program to CIGSS which provides for the migration of all airborne imagery ground systems to a common interoperable baseline necessary to meet joint warfighting requirements. The CIGSS was the first airborne reconnaissance ground system to be approved by both the JROC and the CIO. The CIGSS is a prime example of the level of interoperability the Department of Defense should strive for across the board.

There are numerous other examples, from the Joint SIGINT Avionics Family to Common Data Link, that demonstrate DARO's effective stewardship of limited resources. The Committee recommends that the Secretary of Defense and the Under Secretary of Defense for Acquisition and Technology consider transferring more, if not all, remaining reconnaissance assets to the Defense Airborne Reconnaissance Program.

## TACTICAL INTELLIGENCE AND RELATED ACTIVITIES

*Joint tactical terminal*

In October of 1995, the Assistant Secretary of Defense for Command Control, Communications and Intelligence (ASD C3I) issued guidance requiring that tactical intelligence dissemination systems of the military services conform with Department of Defense Integrated Broadcast interoperability and commonality objectives. The Joint Tactical Terminal (JTT) meets this requirement for all services by providing commanders a secure, dedicated path for tactical intelligence dissemination networks and broadcasts. Within the Army, JTT replaces the Commanders' Tactical Terminal (CTT).

The procurement of JTT is strongly supported by the Congress. As a result of a prolonged contract dispute, however, the delivery schedule for JTT has slipped indefinitely. To meet urgent interim requirements, the Army needs to procure a limited number of the Commanders' Tactical Terminal 3 (CTT3). Funds authorized and appropriated for fiscal year 1997 are sufficient to meet the interim requirements for CTT3. The Committee recommends the acquisition of CTT3 using fiscal year 1997 funds.

*CI/HUMINT automated tool set*

Formerly known as Theater Rapid Response Intelligence Package (TRRIP), the Army has an unfunded requirement of \$4.5 million to complete the inventory objective for CI/HUMINT Automated Tool Sets (CHATS). The Committee recommends a reduction of \$5.7 million in fiscal year 1998 Operations and Maintenance Army (OMA) funds as an offset to pay for CHATS. The OMA funds originally designated for Contractor Logistics Support associated with the potential fielding of the Hunter UAV are no longer needed based upon the decision not to field Hunter.

*GUARDRAIL common sensor*

The Committee recommends a reduction to the GUARDRAIL Common Sensor (GRCS) fiscal year 1998 OMA funds of \$6.7 million. The funds are not required in fiscal year 1998 as a result of changes in GRCS fielding. The Committee recommends that these funds be transferred to Aircraft Procurement Army (APA) to complete fielding of the GRCS program embedded training requirement.

*Ground based common sensor*

The Committee has learned that \$26.8 million in Other Procurement Army funds for Ground Based Common Sensor (GBCS) in the President's budget request for FY 1998 will not be necessary due to a decision to reschedule the IOT&E or FY 1998. The Committee recommends a decrement in Other Procurement Army in the amount of \$26.8 million and that \$6.5 million be transferred to the Aircraft Procurement Army line to procure Ground Based Common Sensor/Advanced Quick Fix (GBCS/AQF) institutional training devices. There are two training devices needed for GBCS/AQF, one for the system operators and one for maintenance training.

*Focused intelligence support for USFK*

Focused Intelligence provides the commander the capability to exploit real-time information allowing him to focus assets in time and space to defeat an adaptive threat. The enabling technologies that provide Focused Intelligence can be divided into three functional areas: (1) Shared Battlefield Awareness; (2) Information Management; and (3) Predictive Analysis. an architecture that integrates these functions into a collaborative environment provides a commander with Information Dominance and allows him to operate within and disrupt the decision and operating cycles of the adversary.

In USFK, Command Post Tango is the location where Focused Intelligence is required to support the CINC. Unfortunately, USFK operates with an antiquated system using "post it" notes and grease pencils rather than current generation hardware and software. At the present time, some information from subordinate elements is delivered to CP Tango by hand in hard copy, which then has to be manually added to a display board.

Modernization of CP Tango will provide the Commander-in-Chief USFK with a capability comparable to that of the NATO commander in Vicenza, Italy, known as the Combined Air Operations Center (CAOC). The architecture will be interoperable with follow-on technologies and will allow more rapid integration of these technologies as they become available. The outdated infrastructure at CP Tango today prevents USFK from exploiting existing information technologies much less evolving technologies.

The Committee notes that the Air Force completed the upgrades at the CAOC in 1996 for around \$10.0 million. Due to the increased threat situation in Korea, the Committee believes that upgrades to CP Tango should be a high priority for the Army and the Commander-in-Chief USFK in fiscal year 1998. Therefore, the Committee recommends \$10.0 million to provide Focused Intelligence in CP Tango.

*ASAS remote work stations*

The All Source Analysis System (ASAS) Remote Work Station (RWS) is the Intelligence and Electronic Warfare (IEW) component of the Army Tactical Command and Control System (ATCCS) and the tactical commander's primary intelligence processor and graphics display system. It provides a collateral common intelligence picture tailored from the ASAS all source data base and is capable of interfacing with Army area communications systems as well as IEW special purpose communications.

If approved, the Committee's recommendation will provide ASAS RWS for the Army Force Package One, which is comprised of early deploying units and the training base necessary to support fielding the system. The Defense Science Board Task Force on "Improved Application Of Intelligence To The Battlefield" emphasized the importance of maximizing the dissemination of intelligence down to the battalion level. The Committee's recommendation \$26.5 million will field ASAS RWS down to the battalion level.

### *Joint Surveillance Target Acquisition Radar Systems*

Joint STARS is a modified Boeing 707 airframe outfitted with a Synthetic Aperture Radar (SAR) for surveillance of stationary targets and a Wide Area Surveillance radar to detect, locate, classify, track and monitor moving targets. Although the Air Force plans had sought an inventory of 19 JSTARS aircraft, the Quadrennial Defense Review (QDR) has recommended that the inventory objective be reduced to 13 aircraft.

The President's budget also requested \$119.0 million for RDT&E for JSTARS. Given the recommended reduction in scope of the program, the Committee believes that the RDT&E effort for JSTARS should be refocused for emphasis on follow-on platforms and upgraded capabilities to the existing JSTARS aircraft. Upgrades to JSTARS are addressed elsewhere in this report. Therefore, the Committee recommends a reduction of \$20.0 million in RDT&E associated with JSTARS.

### GENERAL DEFENSE INTELLIGENCE PROGRAM

#### *MASINT IR discrimination*

The Committee continues to believe that measures and signature intelligence (MASINT) is an underdeveloped discipline that can provide valuable and unique intelligence—especially in priority areas such as chemical, biological, nuclear and missile proliferation and counternarcotics. The Committee notes that the majority of the NFIP MASINT funds requested for FY1998 are located in the GDIP—home of MASINT management—and is disappointed that the GDIP Program Manager has decreased funding from last year's level-of-effort. The Committee also notes that GDIP's advanced R&D funds, the majority of which is related to MASINT, was drastically cut from last year's appropriated amount. The Committee urges the reversal of this trend line. In this regard, the Committee directs the investment of \$10.0 million to evaluate infrared (IR) discrimination technology. The Committee notes that preliminary findings in this area suggest that this capability may enhance detectability, selectivity, and/or discrimination of targets from surrounding clutter. In essence, these advanced research and development efforts in passive polarimetric sensors show promise of enhancing the value of data collected by IR sensors.

Conventional thermal sensors, such as forward looking infrared devices (FLIRs), in widespread use by DoD and the Intelligence Community, measures the intensity of energy from objects, while this new sensor technology concept measures intensity and direction of polarization thereby adding significant information content on targets of interest. Test results have demonstrated that a whole new set of discriminants can be extracted from thermal polarization signals to improve target detection, identification, and characterization. Inherent sensor characteristics include improved signal-to-noise performance and natural countermeasure rejection capability.

The Committee directs the Central MASINT Office to develop a plan to demonstrate the utility of passive IR polarization sensors in reconnaissance applications. The plan should include: (1) development of a polarization sensor; (2) collection of polarization data

on specific targets; (3) development of computer simulations describing the sensors utility; (4) development of automatic target recognition algorithms; and (5) an analysis of the costs and benefits of continuing the development of this technology versus other promising MASINT collection initiatives. The Committee also directs that a cost-benefit analysis be conducted to assess the value of either incorporating this technology into existing systems through a product improvement program or inserting the technology into new systems. The Program Manager is directed to provide the Committee detailed spending and contract competition plans prior to the Fiscal Year 1998 Intelligence Authorization Conference.

#### *SURF EAGLE—MASINT*

The FY1998 request does not sustain the Congressional FY1997 add for project SURF EAGLE. In addition, the Program Manager (PM) proposes to transfer this capability to the Joint Military Intelligence Program (JMIP).

With previous Congressional plus-up funds of \$11.4 million, the Navy's Meteorologic and Oceanographic Command's Warfighting Support Center is now capable of fusing data derived from national technical means (NTM) with publicly available and open source data (maritime, LANDSAT, French SPOT, ACINT, meteorologic, and oceanographic). This capability allows analysts to better characterize littoral ocean areas and satisfy special operation and Naval/expeditionary warfare requirements. This effort, known as SURF EAGLE, enables the digital receipt, exploitation, archival, fusion, and dissemination of this processed data. Retaining this capability within GDIP is appropriate because at least two of SURF EAGLE's primary customers are GDIP units—Marine Corps Intelligence Activity and SOCOM'S Joint Intelligence Center (JIC). Both units rely heavily on SURF EAGLE-processed MASINT to produce tailored material for the warfighter.

The Committee understands that an out year commitment to support and maintain the capital expenditures already made for SURF EAGLE has been programmed at \$1.5 million per year. To be determined is the appropriate level of personnel required to carry out the intelligence-related functions of requesting and processing NTM information, an adjunct to funded oceanographic personnel already in place. The Committee understands that an estimate in the 20–40 person range has been discussed, but not fully analyzed. The Committee requests that the DNI in consultation with Commander, Naval Meteorology, and Oceanography Command provide an analysis of the level of GDIP-funded personnel to carry out the intelligence related functions of SURF EAGLE by January 10, 1998.

Only \$0.2 million of the necessary \$3.5 million is identified in the FY 1998 budget submission. The FY 1998 request under funds the SURF EAGLE requirement by \$3.3 million. The Committee supports a \$3.5 million sustainment level of effort for SURF EAGLE and adds \$1.0 million for digitization. In addition, the Committee denies the transfer of funds to JMIP and directs this capability remain in the GDIP.

### *Project 2000*

The budget request includes \$10.0 million to address the “Year 2000” date problem for GDIP units and activities. In response to a Congressional question-for-the-record, the Program Manager indicated that an overall program plan for addressing the “Year 2000” problem has yet to be developed. The Committee believes it would be inappropriate to permit expenditure of these funds in the absence of such a detailed plan and therefore directs that none of these funds be obligated or expended pending receipt by the Congressional Intelligence Committees of a detailed spending plan.

### *Air Force replacement ADP*

The GDIP Air Force National Air Intelligence Center (NAIC) replacement ADP effort has been significantly reduced as a result of the DCI-mandated \$50.0 million in over budget guidance reinvestment initiatives for facility upgrades. Specifically, NAICs’ FY1998 budget submission leaves the Center without an acceptable recapitalization program to sustain its core mission computing needs. A recent staff visit found that NAIC’s “resource baseline is currently inadequate to support \* \* \* common use ADP suite” and that the Center “will suffer significant mission degradation starting around 2000.” In addition, the NAIC commander noted that “[w]ithout recapitalization, current base mission analysis and processing will not be possible” and added that, because of funding shortfalls, the Joint Intelligence Virtual Architecture “cannot be implemented at NAIC.” In a response to a Congressional question-for-the-record, the GDIP Program Manager indicated that if additional funds were made available, he would “accelerate current plans to recapitalize automation equipment.” Therefore, the Committee adds \$3.1 million to restore GDIP replacement ADP funds to the FY 1998 requested level.

### *Infrastructure base funds*

The FY 1998 GDIP budget request includes an infrastructure growth of \$9.2 million, or 212% expansion above the FY1996 actual funding level, for a “base” Operations and Maintenance appropriation category titled “Other Expenses.” As defined by DoD Procedural Guidance, the “base” budget category consists of programs or activities whose funds do not expand upon an existing capability. The category titled “Other Expenses” is defined as capital investments in land and structures, grants, subscriptions, automotive fuel, and minor repairs costing less than \$50,000. Adequate CBJB justification for this increase of funds has not been provided. The budget submission also reflects a “base” growth of \$3.4 million or 160% increase above the FY1996 actual level for a GDIP-DIA Emergency and Extraordinary Expense (E&E) budget line. GDIP E&E expenses are defined as special funds for emergent requirements to include Official Representation Funds and Confidential Military Purpose Funds. Again, adequate CBJB justification for this increase of funds has not been provided. In light of the current budget environment and poor justification, the Committee recommends sustaining these efforts at well above the FY1996 actual level but deletes a total of \$7.6 million from these two line items.

*Base "other management" funds*

The FY1998 budget request includes an infrastructure spike of \$7.7 million, or 145% increase above the FY1996 actual funding level of \$17.1, for a GDIP "base" category titled "Other Management." As noted earlier, the "base" budget category is defined as programs or activities whose funds do not expand upon an existing capability. The CBJB does not justify this one-year "base" increase. Fiscal constraints necessitate that the Committee maintain this "Other Management" funding line closer to the FY1996 actual level, thereby reducing the request by \$3.85 million.

*JIVA enhancement*

The Committee notes that the Program Manager sustained the FY1997 increase for the Joint Intelligence Virtual Architecture (JIVA). JIVA connects the Washington-hub to tactical forces through the theater commands. JIVA focuses on commercial software to provide collaborative and cognitive tools for data mining, white boarding, improved use of multimedia, video-teleconferencing, and office automation. Correspondingly, the JIVA capability integrates modern techniques for data warehousing to handle vast amounts of information made available by the collaborative environment. JIVA also focuses on enhancements that include upgrading site-internal communications bandwidth to accommodate the needs arising from multimedia and desktop video usage.

The budget request includes \$26.3 million in FY1998 and \$57.2 million programmed for FY1999. However, no JIVA funding was reflected in the FY1998 budget for U.S. Space Command, Special Operations Command, Transportation Command or U.S. Central Command. In response to a Congressional Directed Action and to a question-for-the-record, the Program Manager indicated that "[f]unding for FY1998 may need to be realigned within the program to ensure that investment is focused on the most profitable technologies," and that JIVA funding anomalies in the CBJB were a result of budget cutbacks incurred during the Community Management Staff's budget review. The Committee acknowledges the increased emphasis that the GDIP has placed on JIVA and therefore provides an additional \$24.75 million to accelerate this project.

*Base Navy administration and facility*

The request includes an infrastructure "base" increase of \$2.1 million or 10% growth above the FY1997 appropriated funding level for a category title "Navy Intelligence Administration and Facility." The DoD Procedural Guidance manual defines the budget category of "base" as programs or activities whose funds do not expand upon an existing capability. The CBJB indicates that this increase is due to higher cost of ADP and furniture. Of note, the facility is only three years old with personnel numbers reduced by 19%. Fiscal concerns necessitate that the Committee sustain this funding effort at its FY1997 appropriated level and thus reduces the request by \$2.1 million.

*DIA's high performance computer replacement*

In response to a question-for-the-record, the GDIP program manager indicated that his highest priority unfunded project is to re-

capitalize ADP. According to the commander of DIA's Missile and Space Intelligence Center (MSIC), MSIC's mission-essential High Performance Computer (HPC) will be obsolete by the year 2000. While the Center has requested out year life cycle replacement funds, the request is not reflected in the DoD or NFIP budget submissions. Of note, the Army's Strategic and Space Defense Command is co-located on the same installation and houses one of 13 DoD HPC distribution centers. The Committee is disappointed that the Program Manager has shown little effort to date in fully investigating linking the GDIP computer needs to the \$2 billion DoD HPC Modernization Program, nor has the Program Manager aggressively investigated the use of NSA's supercomputing systems.

The Committee directs the Program Manager to conduct a study of the following possible options: (1) use of DoD's HPC Modernization funds; (2) use of DoD's HPC Modernization capability; (3) leasing capability elsewhere; (4) procuring the use of NSA's supercomputing systems; or (5) procuring a new HPC for MSIC. The Committee requests that the report be submitted prior to the meeting of the Intelligence Authorization Conference. The Committee also recommends an additional \$4.0 million for MSIC's HPC replacement capability.

#### *Open source analysis*

The Committee acknowledges the increased emphasis that the GDIP Program Manager has placed on open-source collection, analysis, and production in recent years. However, the constrained fiscal environment has forced a 50% reduction in FY1998 to open-source processing and dissemination from the FY1997 appropriated level. The value of open-source is noted in this line from the CBJB—"the use of open-source information to support deployed forces in Bosnia clearly attests to its status as an essential, cost-effective complement to classified intelligence disciplines." The Committee acknowledges the value of open-source analysis and adds \$1.6 million to expand the collection, flow, and usefulness of it throughout GDIP analytical production activities.

As active duty military and full-time civilian personnel are drawn down, utilization of open-source information has increased in recent years with DoD reservists playing a much greater role. In response to a question-for-the-record, the Office of the Secretary of Defense indicated that the Joint Reserve Intelligence Program (JRIP) provides augmented support to specific theaters' war plans and, if adequately funded, could better harness readily available open-source information on transnational topics. The response also suggested that efficiency could be enhanced by connecting the Open Source Information System (OSIS) data to JRIP units and work-at-home/Individual Ready reservist. DoD proposed a concept centered around the development of a hub of already qualified full-time personnel such as that currently available at Fort Leavenworth, Kansas, which is currently managing the World Basic Information Library Program. The OSD response further suggested that through a functional realignment of Reservists to newly designed, developed and activated JRIP transnational hubs, significant analytical improvements would be gained by the Intelligence Community.

The Committee also recommends an additional \$0.8 million to activate a prototype Open-source Reserve Cell to experiment with a transnational OSIS-connected reserve unit.

*Joint collection management tools/JCMT*

In early 1994, the Military Intelligence Board directed the implementation of a single DoD, automated all-source collection requirements management system to be approved by the Intelligence Systems Board. Army was designated as the DoD Intelligence Information System's executive agent to develop JCMT as the migration system with over \$24.0 million requested over five years. In October 1996, the Program Manager asked for a review of JCMT as a result of concerns raised by the Services and Commands. As of late May 1997 significant Intelligence Community concerns continue to surface over the development and fielding of JCMT to include unevaluated customer requirements. The Committee understands that a report is being prepared for the Military Intelligence Board. Consequently, the Committee believes it would be inappropriate to permit expenditure of these funds before the results of this report are known to the Committee.

*GDIP DIA's civilian leadership*

The Committee is concerned that the Program Manager has assigned one out of four Defense Intelligence Senior Executive Service (DISES) civilian positions to external matters. For example, the Program Manager has assigned external DISES positions to such outpost as London, Ottawa or Canberra Liaison Offices. The Committee questions the return on the investment to the Intelligence Community of these senior civilian billets. Therefore, Committee directs the Program Manager to conduct a review of senior-level internal (core mission areas especially) and external billets. The review shall consider the rationale for the high number of external billets given the fiscally constrained GDIP resources pool. The results of the review shall be provided to the Congressional Intelligence Committees not later than January 31, 1998.

IMPROVING INTELLIGENCE COMMUNITY MANAGEMENT AND OPERATION

Last year, the Congress adopted provisions in the Intelligence Authorization Act for Fiscal Year 1997 aimed at improving the ability of the Intelligence Community to meet the challenges of the Post-Cold War world and enhance accountability in the wake of the Ames scandal and other intelligence and management failures. The Committee views this reform effort, however, as an ongoing process and continues to examine ways to bring greater efficiency and effectiveness to the Intelligence Community.

One of the themes of last year's efforts, for example, was the importance of encouraging intelligence professionals to serve in more than one office or element within the national security field. This not only enhances the professional satisfaction of the employee, it also improves the effectiveness of the entire national security community. Thus, the Committee has included in this bill expanded authority for intelligence employees to be detailed on a reimbursable or nonreimbursable basis as part of the Intelligence Commu-

nity Assignment Program recently established by the Acting DCI and the Secretary of Defense.

*Multi-year leasing authority*

The Committee is providing authority for the Agency to enter into multi-year leases in a timely fashion in order to realize the savings to the government that come with such leases. The Committee notes that agencies within the Intelligence Community are currently required to give the intelligence oversight committees at least two weeks' notice prior to entering into any lease that has an expected full-service cost for items provided by the landlord in excess of \$500,000 in any given year, or that involves more than 20,000 square feet of building space. This requirement will apply to multi-year leases entered into pursuant to the authority granted in this provision.

The Committee understands that in addition to the overt multi-year leases authorized by this provision, the CIA has entered into leases for operational purposes in which the role of the CIA remains covert. These covert leases, many of them for Agency proprietaries requiring limited space, are covered by the existing reporting requirement but rarely meet the reporting threshold; the Committee therefore receives no notification. In order to improve its understanding of covert leasing, the Committee requests an annual report from the DCI listing all of the Intelligence Community's covert leases. Such a list shall include a listing of each lease, its cost, duration and location, the purpose for the lease, and the controlling directorate or office.

*Report on management reform within the Directorate of Administration*

The CIA has also proposed a new way of doing business in its Directorate of Administration. This would include the establishment of a working capital fund to allow the CIA's Directorate of Administration to manage some of its services in a manner that encourages greater efficiency by requiring them to compete for "customers" in much the same way private industry does. It also forces elements within the Agency which utilize those services to more accurately assess their value by directly purchasing the services with funds from their office budgets. The Committee applauds the kind of creative thinking reflected in this proposal and generally supports the objectives underlying this initiative. However, it is essential that this fund and the management reforms accompanying it be carefully structured so as to maximize the prospects for success and minimize the risk of unintended consequences. While working capital funds are not new to the executive branch, CIA is proposing several significant variations from the way in which existing funds operate at other agencies. The Committee, therefore, is requesting a report on the Working Capital Fund proposal prior to conference on this bill. This report should include:

- Projected amounts of funds needed for the Working Capital Fund (WCF) in fiscal years 1998 and 1999;

- Policies for management of the WCF, including the criteria for release of funds to individual "businesses" within the Direc-

torate of Administration and how the WCF will be apportioned for each business;

The criteria that will be employed to select businesses to be included in the WCF and a description of the business plan that will be required of each;

List of businesses to be included in the Working Capital Fund (WCF) in FY 1998 and FY 1999 and the amounts reflected in the CIA budget and projections as of May 1, 1997, for those businesses for FY 1998 and FY 1999, notwithstanding the WCF;

Procedures for establishing and monitoring prices set by the WCF businesses;

Procedures for initial-year distribution of funds to components throughout the CIA to be used to purchase goods and services from the businesses participating in the WCF and procedures for determining component budgets for those purchases in subsequent years;

Training or other preparation undertaken to ensure these component managers are prepared to manage their budgets and make purchase decisions in light of the WCF and the consequent new business practices;

Policies or guidance regarding what managers can do with funds distributed for making purchases from the participating businesses, particularly distributed funds not used for such purposes during the fiscal year;

Procedures for monitoring expenditures by managers of customer elements, including plans to standardize record keeping by managers; and

Guidelines for evaluating the success of the WCF and of individual businesses.

*Committee review of the CIA inspector general (IG)*

Another issue addressed in the Committee's Reform and Renewal review during the 104th Congress was the accountability of the various Intelligence Community Inspectors General. While the Committee's Audit and Program Review Group conducts oversight through the review of IG publications such as semiannual reports, projected IG plans, numerous IG investigative and audit reports, and almost daily contact with one or more IG staffs, there had been no documented review of overall operations of the IG offices within the Community.

Thus, the Committee directed that each year one of the Intelligence Community IGs be reviewed in detail by the Audit and Program Review Group and that they prepare a report summarizing the review. The CIA's Office of Inspector General was selected for the first such in-depth review. That review was recently completed, with an objective of gaining further details on how the three CIA IG staffs (Audit, Inspection, and Investigation) operate. There was particular emphasis on the Investigations Staff because this staff had significantly increased in size and responsibility since the IG became statutory, and the most recent CIA IG Semiannual Report indicated that further changes were to take place. Topics covered included the conduct of investigations, recommendations concern-

ing accountability and disciplinary action, crimes reporting, and the grievance process.

The review was strongly supported by the CIA IG and provided the Committee a much greater understanding of the operations of that office. The majority of the information was collected through interviews of senior IG personnel. Also, members of the recently created CIA IG Management Advisory Group were interviewed to gain the perspective of the working level members of the staff. Finally, the operational manuals of the three staffs were reviewed in detail and other available IG policies and procedures were obtained.

The review found that the Inspector General has taken numerous steps to improve the operations of the office since this position became statutory. Examples include better training, strengthened quality controls, increased staff, and the creation of an IG Counsel team. Some additional personnel management and operational policy changes are being made in response to this review. Based on the results of this review and its other oversight activities, the Committee believes CIA IG is producing quality products which address the issues at hand with the appropriate amount of analysis, criticism, and independence. In addition, the office has increased the level of trust and respect from within the Agency, the Oversight Committees, and the Intelligence Community.

#### *Subpoena authority for the CIA inspector general*

The Committee has included in this bill authority for the Inspector General at the CIA to issue subpoenas to obtain documentary evidence necessary for the performance of the IG mission Congress established it to fulfill. The need for this authority was examined during the Committee's CIA IG review described above.

Until now, the IG has conducted investigations and inquiries without the subpoena authority routinely employed by all other statutory Inspectors General. Congress acknowledged at the time it created the CIA IG in 1989 that it was not providing a full complement of investigative tools, but directed the IG to compile information in each Semiannual report to the Director of Central Intelligence regarding any instances where the absence of subpoena authority has been an impediment.

In several semi-annual reports provided to the Committee, the IG has provided the Committee with examples of cases that illustrate the problems created by the lack of subpoena authority. One example provided by the IG involved an investigation into the theft of CIA credit cards. The IG investigators initially were only able to obtain copies of cash register and credit card receipts and videotape security records through the voluntary cooperation of a number of retailers. Similarly, in a series of computer thefts, the IG noted that interviews of the primary subjects might have produced more positive results if certain sales receipts and financial information could have been obtained without alerting the interviewees prior to the interviews.

Perhaps the most overriding impact of not having subpoena authority is that the CIA IG is forced to reverse the normal order of an investigation. Typically, an investigator will interview the target of an investigation last, after carefully compiling evidence with

which to confront the target, so as to maximize the prospect for getting useful information during the interview. In the absence of authority to subpoena the production of relevant documents, the CIA IG must rely on voluntary cooperation. Thus, it often is compelled to interview the presumed target early in the investigation in an effort to get their cooperation in providing or authorizing access to relevant documents.

The CIA IG can, in criminal investigations, ask the Department of Justice to convene a grand jury and obtain grand jury subpoenas to acquire necessary records. This ultimately was done in the credit card case referenced above. However, this option is only available for cases that are deemed worthy of a criminal investigation. Other Inspectors General often use the information obtained through their subpoena authority to help decide if a case should be pursued as a criminal, civil, or administrative case. Also, reliance on a grand jury subpoena limits the usefulness of the information for other purposes because of the rules prohibiting disclosure of grand jury information. For example, information obtained through a grand jury subpoena cannot be used later for administrative purposes without a formal proceeding before a federal judge. Congress acknowledged the importance of the CIA IG's mission when it adopted legislation providing a statutory basis for this function. The CIA IG statute was designed to ensure that the CIA IG was sufficiently independent from the Director of Central Intelligence to provide effective oversight. During the intervening years the mission of the CIA IG has become increasingly important, particularly in support of the oversight responsibilities of this Committee. Moreover, the independence of the CIA IG has been consistently reflected in the reports of investigations, audits, and inspections provided to the Committee. The Committee is aware that granting subpoena authority to the CIA IG may raise some concerns. However, in light of the importance of the IG's function, the demonstrated need for the authority to fulfill this function, and the proven independence of the IG, the Committee believes the CIA IG should be granted subpoena authority to the same extent it is currently granted to other national security Inspectors General.

#### ENSURING FLOW OF INFORMATION TO CONGRESS, POLICYMAKERS, AND THE PUBLIC

The most effective intelligence capability in the world is worthless if the information collected is not provided to the people who need it. Consumers of intelligence include not only the warfighters and policymakers, but also the Congress and the American public. A key issue in this regard is the handling of classified information. The Committee is concerned that insufficient priority is attached to ensuring a thorough review of intelligence so that families concerned about the murder of a loved one overseas and the general public receive information the disclosure of which no longer threatens national security. There is also a risk that over-classification or undue restrictions on dissemination of intelligence information within the executive branch could prevent information from reaching the policymakers who need it to reach informed decisions. In addition, the Committee is concerned about the impact of classifica-

tion on Congress' ability to learn from federal employees about wrongdoing within executive agencies and departments.

The Committee is reviewing the findings and recommendations of the report by the Commission on Protecting and Reducing Government Secrecy released in March 1997. The twelve person bi-partisan Commission spent two years investigating how the U.S. Government classifies and declassifies national security information, grants security clearances, and protects information on automated systems. The Committee will examine the feasibility of implementing the Commission's recommendations in the Intelligence Community and intends to play an important role in the Senate's consideration of legislation regarding this issue.

*Providing information to victims and victims' families*

The Committee recently heard from the families of several Marines who were murdered in a terrorist attack in Zona Rosa, El Salvador, in 1985. A common refrain in their testimony was concern about how little information they received from their government regarding the attack and its perpetrators. It was from network television, for example, that at least one family first learned of the attack. Several families learned, years later from a television broadcast, that the likely mastermind of the attack had been brought into this country through official U.S. Government (USG) channels. The Committee has pressed the executive branch to provide these families with as much information as possible, but eleven years is a long time to wait. Similar frustration was expressed when the Committee heard during the last Congress from Americans who had lost their loved ones to violence in Guatemala. Subsequently, the Administration did establish a focal point on the Guatemala issues and this proved helpful to the families trying to negotiate through the maze of bureaucracies in search of relevant information.

The Committee believes it is in the national interests of the United States to provide information regarding the murder or kidnapping of U.S. persons abroad to the families of the victims. Moreover, given the difficulty inherent in identifying all relevant information that might be held by disparate elements of the government, and the likely resistance to providing information that is currently classified, the Committee believes this important responsibility must ultimately be vested in a cabinet-level official. Therefore, the Committee has adopted a provision requiring the Secretary of State to ensure that all appropriate actions are taken within the USG to identify promptly all relevant information and to make it available to families to the maximum extent possible without seriously jeopardizing sensitive intelligence sources and methods or other vital national security interests. It is the Committee's expectation that the Secretary of State will act as an advocate for the families in the inevitable interagency debates regarding how much information can be disclosed.

In order to improve the process for handling classified information in such a way that declassification can be accommodated efficiently, the Committee is providing additional funds to support the CIA's Declassification Factor (CDF). The Committee directs the DCI to review the current declassification policies and programs

within the Intelligence Community and recommend measures to consolidate programs, evaluate agency performance, prioritize efforts, and provide adequate personnel and financial resources. The DCI's findings and recommendations should be provided to the intelligence oversight committees no later than September 1, 1997.

*Standardizing information control systems and markings*

The Committee commends the steps the CIA has taken to improve classification management practices, including efforts to make classifiers more accountable for their actions. Another important aspect of classification policies and procedures is information control systems and markings. Efforts to ensure that intelligence is appropriately disseminated and that information vital to the Nation's security is kept secure and all other information is ultimately released to the public will be enhanced by standardizing information control systems and markings. The Controlled Access Program Oversight Committee (CAPOC), as a part of the Community Management Staff, is leading an interagency project jointly with the Security Policy Board and the Intelligence System Secretariat to standardize guidance for the principle Sensitive Compartmented Information control systems and related classification and security markings. This project should result in improved consistency of compartmentation and classification management across intelligence disciplines and make an important contribution to interoperability among automated information systems in the Intelligence Community. The Committee urges the DCI to assign resources and priority attention to completion of updated classification guides and a unified list of compatible markings. In addition, the Committee encourages the DCI to incorporate into this effort other CIA collection disciplines. The Committee commends the efforts of the CAPOC to keep the Committee informed of its activities. The DCI is directed to review the activities and recommendations of the CAPOC and notify the Congressional Intelligence Committees if legislation is necessary to further standardization and enhance oversight of these controlled access programs.

*Disclosures of classified information to Congress*

The Committee is also concerned that executive branch policies on classified information could interfere with its ability to learn of wrongdoing within the elements over which it has oversight responsibility. The Committee's concern has been heightened by its review of executive branch opinions in this area, most recently articulated in a December 5, 1996 letter from the Director of Central Intelligence informing a State Department employee who was accused of having revealed sensitive classified information to a Member of Congress of the decision to deny him access to Sensitive Compartmental Information. The letter stated that "[n]either a security clearance, nor access to SCI give an individual the right or authority to make unilateral decisions to disclose classified information to others, including to cleared Members of Congress." Without addressing the merits of that particular decision or attempting to resolve the factual disputes in that case, the Committee noted in a letter to the Acting DCI on January 3, 1997, that it was troubled by the reasoning underlying the decision because of its poten-

tial impact on the ability of the intelligence oversight committees to ensure they are informed of possible wrongdoing.

The Committee is particularly concerned that federal employees may view the decision or other relevant statements by elements of the Executive Branch, including opinions from the Department of Justice, to mean that there are no circumstances under which they can bring information to Congress that they believe evidences wrongdoing if to do so requires disclosure to Congress of classified information.

The Committee fully appreciates the need to carefully protect national security information, particularly information the disclosure of which might reveal sensitive intelligence sources or methods. Indeed, the select committees for oversight of intelligence were established in part to balance that need for protection with the equally compelling need for Congress to have access to information necessary for effective oversight. Moreover the Committee has worked closely with the Intelligence Community to establish appropriate procedures for the routine provision of intelligence information to the committees. However, it is essential that where these standard procedures fail to get the necessary information to Congress, for example, because the wrongdoing involves the very individuals who would have to authorize the disclosure or the authorization is not forthcoming, then employees must have an alternative.

The Committee has included in this bill a provision designed to ensure that Congress receives information necessary to fulfill its constitutional oversight responsibilities. The bill directs the President to issue guidance for all executive branch employees making it clear that disclosures of classified information to appropriate oversight committees or the employee's own Congressional representative is not prohibited by any law, executive order, regulation, or policy if the employee reasonably believes that such information evidences a violation of any law, rule, or regulation; a false statement to Congress on an issue of material fact; or gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

Disclosure to an appropriate oversight committee means disclosure to cleared staff or a member of the committee with responsibility for the agency involved in the wrongdoing in their capacity as staff or committee member. Committee staff or members who receive such information from an employee are presumed to have received it in their capacity as members or staff of the appropriate oversight committee and are responsible for ensuring that the information is protected and brought to the attention of the leadership of the committee or its staff directors.

Executive branch opinions note that Executive Order 12356 on classification requires that classified information be disclosed only to a person with the appropriate clearance and a "need to know." Members of Congress are cleared by virtue of the election to office. This provision recognizes that, at a minimum, the committee with primary oversight jurisdiction over the elements allegedly engaged in wrongdoing and the member of Congress representing the employee have a need to know the information and such disclosure is consistent with the Executive Order.

### *Notification of Congress*

To conduct effective oversight the Committee must also receive notification of intelligence activities in a timely and complete fashion. Section 502 of the National Security Act of 1947 requires that the Committees be informed of all intelligence activities including any significant anticipated intelligence activity as well as any significant intelligence failure. In several cases the Committee has received notice well after the fact and follow-up requests for further information have not been responded to promptly and completely. The Committee reaffirms the requirement that notification occur in advance of the activity if it is anticipated or foreseeable. Where there is not time to provide written notice in advance, or where the event was not foreseeable, immediate verbal notice will suffice until written notice is provided; written notice should be provided within five business days. Follow-up requests from the Committee for additional information and/or supporting documentation regarding a notification must be addressed promptly and completely.

#### SECTION-BY-SECTION ANALYSIS AND EXPLANATION

### *Title I—Intelligence activities*

Section 101 lists departments, agencies, and other elements of the United States Government for whose intelligence and intelligence-related activities the Act authorizes appropriations for fiscal year 1998.

Section 102 makes clear that the details of the amounts authorized to be appropriated for intelligence and intelligence-related activities and personnel ceilings for the entities listed in section 101 for fiscal year 1998 are contained in a classified Schedule of Authorizations. The Schedule of Authorizations is incorporated into the Act by this section.

Section 103 authorizes the Director of Central Intelligence, with the approval of the Director of the Office of management and Budget, in fiscal year 1998 to exceed the personnel ceilings applicable to the components of the Intelligence Community under section 102 by an amount not to exceed two percent of the total of the ceilings applicable under section 102. The Director may exercise this authority only when necessary to perform important intelligence functions or to maintain of a stable personnel force. The Director must report any exercise of this authority to the two intelligence committees of the Congress.

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

Subsection (a) authorizes appropriations in the amount of \$90,580,000 for fiscal year 1998 for the staffing and administration of various components under the CMA. Subsection (a) also authorizes funds identified for the Advanced Research and Development Committee and the Environmental Intelligence and Applications Program to remain available for two years.

Subsection (B) authorizes a total of 278 full-time personnel for elements within the CMA for fiscal year 1998 and provides that such personnel may be permanent employees of the CMA element or detailed from other elements of the United States Government.

Subsection (c) explicitly authorizes the classified portion of the CMA and expressly provides that the classified Schedule of Authorizations applies to the CMA.

Subsection (d) requires that personnel be detailed on a reimbursable basis except for temporary situations.

*Title II—Central Intelligence Agency Retirement and Disability System*

*Authorization of Appropriations*

Section 201 authorizes appropriations in the amount of \$196,900,000 for fiscal year 1998 for the Central Intelligence Agency Retirement and Disability Fund.

*Title III—General Provisions*

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

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

Section 303 would allow heads of Intelligence Community (IC) entities, or officials to whom they have delegated this authority, to authorize long-term reimbursable or nonreimbursable details within the Intelligence Community Assignment Program (ICAP). Non-reimbursable details would be capped at three years. The heads of the parent and host agencies, however, could extend such details for a period not to exceed one year when they determine that an extension is in the public interest. The provision also would authorize IC elements to pay ICAP participants any benefits, allowances (including travel allowances) or incentives otherwise provided by their organizations to encourage participation in the ICAP.

The Acting Director of Central Intelligence and the Deputy Secretary of Defense established the ICAP in order to broaden the perspective of Community employees and open an additional mechanism by which employees can secure rotational assignments within the Community. The Program will develop leaders with a broader knowledge and appreciation of the issues facing the IC. ICAP assignments will be for two to three years and involve GS-13 to Senior Executive Service/Senior Intelligence Service positions. The Program should address concerns shared by senior IC managers, the intelligence oversight committees, and the Brown Commission that IC employees develop a broad IC-wide perspective. It is expected that the Program will not comprise more than 100 people initially and 900 by 2001.

Current law could impede the effective implementation of ICAP in two respects. First, under title 31, United States Code, non-reimbursable details are restricted and must either involve a matter related to the loaning agency's appropriation and aid it in accomplishing the purpose for which the appropriations are provided; or have a negligible impact on the loaning agency's appropriations

(generally viewed as a detail of one year or less). This restriction would impede the ability to establish the longer-term nonreimbursable rotations necessary to provide adequate exposure to a broader range of IC activities.

Second, under existing law, it is questionable whether unique benefits, allowances, travel and/or incentives normally payable to employees may continue to be paid to those employees upon their detail to another IC organization. Employees may view loss of such benefits as a penalty for participating in ICAP and may be less willing to participate in the program. Under this legislation, IC elements will be able to provide special relocation bonuses and cost-of-living allowances to their employees on detail to other agencies under the ICAP if it is determined that the particular incentive is necessary to fill the position. This determination will be made on a case-by-case basis.

Without this legislation, the implementation of ICAP will not be as flexible, and the program may not achieve its goal of creating a more efficient and "corporate" Intelligence Community.

Section 304 further extends the "delay of sanctions" provision in current law until January 6, 2001. This provision was first included in the Fiscal Year 1996 Intelligence Authorization Act and was extended until January 6, 1998, in the Fiscal Year 1997 Intelligence Authorization Act. The provision amended the National Security Act of 1947 to give the President statutory authority to delay imposing a sanction, upon determining that proceeding with the sanction could compromise an ongoing criminal investigation or an intelligence source or method. The President would be required to lift any stay of sanction as soon as possible. Also, the provision would require the President to report to Congress immediately upon imposing any stay and when any stay exceeds 120 days.

Section 305 amends section 102(e) of the National Security Act of 1947, 50 U.S.C. § 403 by reinserting language that places the Office of the Director of Central Intelligence in the CIA, for administrative purposes. This language was inadvertently deleted when Congress enacted amendments to the National Security Act in the Intelligence Authorization Act for Fiscal Year 1997, Pub. L. No. 104-293. Reinsertion of this language clarifies that the CIA has the authority to provide administrative support to entities within the Office of the Director.

Section 306 directs the President to inform all executive branch employees that disclosing classified information to an appropriate oversight committee or to their Congressional representative is not prohibited by any law, executive order, regulation, or policy; provided, that the employee reasonably believes that the classified information evidences a violation of any law, rule, or regulation; a false statement to Congress on an issue of material fact; or gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety. This provision is intended to ensure that Congress receives information necessary to fulfill its constitutional oversight responsibilities.

Disclosure to an appropriate oversight committee means disclosure to cleared staff or a member of the committee with jurisdiction over the agency involved in the wrongdoing in their capacity as staff or a committee member. Members or Committee staff who re-

ceive such information from an employee are presumed to have received it in their capacity as members or staff of the appropriate oversight committee. Members and staff are responsible for ensuring that the information is protected and brought to the attention of the leadership of the committee or its staff directors.

The President, by informing executive branch employees as directed in this provision, will make it clear that disclosure to the appropriate oversight committee or member is authorized, thereby recognizing that these committees and members have a “need to know” the information as required by current executive branch restrictions on disclosure of classified information.

Section 307 expresses a sense of Congress that it is in the national interest of the United States to provide information regarding the murder or kidnaping of United States persons abroad to the families of the victims. Moreover, Congress believes that the responsibility for providing such information is sufficiently important that this provision vests it in a cabinet-level official. This provision requires the Secretary of State to ensure that the United States Government takes all appropriate actions to identify promptly all relevant unclassified and classified information in the possession of the United States Government. The provision further requires the Secretary of State to ensure that all unclassified information is made available to the victims’ families. With respect to classified information, this provision directs the Secretary of State to work with the Director of Central Intelligence to release all relevant information that would not jeopardize intelligence sources or methods, or vital national security interests. If the Secretary of State and the Director of Central Intelligence determine that intelligence sources or methods would not be jeopardized and no vital national security interest would be compromised by the release of classified information, this provision directs the Secretary to release that information to the appropriate recipient. The Committee realizes that there will be interagency disagreement about what should or should not be released under this provision. When such disagreements arise, the Committee expects the Secretary of State to act as an advocate for the families.

Section 308 addresses the Committee’s concern that intelligence reporting and analysis lacks standards for foreign names and places. Recent reporting suggests that U.S. troops may have received inadequate intelligence warnings in the Gulf War because of inconsistent references to locations in Iraq. These inconsistencies may have contributed to the possible exposure of U.S. military forces to chemical agents released during the destruction of Iraqi weapons caches.

Intelligence databases maintained by various entities within the intelligence community are a critical national resource. The Intelligence Community must standardize the names and places in each database to allow for effective and consistent support for war fighters and national security policy makers. This provision calls on the DCI to conduct a survey of standards currently in place throughout the Intelligence Community and to issue guidelines for community-wide standards. The DCI is further directed to report the results of this survey, no later than 90 days after the enactment of this

Act, and provide a copy of the guidelines to the Intelligence Committee no later than 180 days after the enactment of this Act.

*Title IV—Central Intelligence Agency*

Section 401 modifies section 5 of the CIA Act of 1949 to provide clear legislative authority for the Central Intelligence Agency to enter into multi-year leases of not more than 15 years' duration for the purpose of ensuring cost-efficient acquisition of Agency facilities. This section is not intended to modify or supersede authority granted in section 8 of the CIA Act of 1949. The multi-year lease authority in this section is subject to appropriations provided in advance for either the full cost of the lease or the first 12 months' cost plus estimated termination liability. In the latter case, leases shall include a clause that conditions the lease upon the availability of funds in any fiscal year. Additionally, funds made available for termination liability remain available until the costs associated with lease termination are paid. This provision is similar to and modeled after section 1072 of the Federal Acquisition Streamlining Act (FASA) of 1994. In the event a lease is not terminated early, excess termination liability funds may be used to satisfy rental obligations in a subsequent fiscal year. Lastly, available funds in any fiscal year may be used to make lease payments for a maximum of 12 months beginning any time during the fiscal year. This provision is similar to section 1073 of FASA.

With the end of the Cold War, CIA has been reorganizing to meet new intelligence requirements. As part of this effort, CIA has been consolidating its facilities in the Washington, D.C. area and other locations. This process, as well as future consolidation efforts, calls for the acquisition of new leases that permit CIA to relocate from outdated facilities with poor work space, communications, personal security, and safety. Because multiyear leases are desirable to commercial landlords and lenders, the ability to enter into multiyear leases during this process could result in savings to the Government, both in money and time. Multiyear leasing authority would allow CIA to negotiate better terms with a wider array of landlords. The CIA's security concerns present it with unique constraints in choosing a suitable rental property. Thus, it is often difficult to find a replacement if a potential site is lost due to delay. This authority will allow the Agency to conduct lease negotiations in a more timely manner than is currently possible.

The end of section 5(e) is deleted because the Act it cites, section 322 of the Act of June 30, 1932 (47 Stat. 412), was repealed by P.L. 100-678 on November 17, 1988.

Section 402 amends section 17(e) of the CIA Act of 1949, 50 U.S.C. § 403q(e) to provide the CIA Inspector General (IG) with authority to subpoena records and other documentary information necessary in the performance of functions assigned to the IG. This authority is the same as that provided to Inspectors General covered by the Inspector General Act of 1978. As under the 1978 Act, enforcement of an IG subpoena would necessitate the filing by the Department of Justice of a request for and an order by a United States district court.

The section also directs the CIA Inspector General to submit a biannual report to the Congressional intelligence committees de-

tailoring the exercise of the IG's subpoena authority during the preceding six months. The Committee expects that these reports will include a summary of each exercise of the IG's subpoena authority. The reports should also include whether the IG needed to request judicial enforcement of a subpoena and the results of such a request.

This section also amends section 17(b)(3) of the CIA Act of 1949, 50 U.S.C. § 403q(b)(3), by inserting language similar to that found in provisions of the Inspector General Act of 1978, as amended, that pertain to the Inspectors General of the Departments of Defense, Justice, and Treasury, and of the Postal Service. This new language authorizes the Director of Central Intelligence to prohibit the CIA Inspector General from issuing any subpoena after the IG has decided to issue such subpoena, if the Director determines that such prohibition is necessary to protect vital national security interests of the United States.

#### *Title V—Department of Defense*

Section 501 would amend Section 2161 of title 10 of the United States Code to show that the former Defense Intelligence School has been renamed as the Joint Military Intelligence College, in order to reflect the nature of the College as a joint institution of higher learning. The amendment also authorizes the President of the College to confer the undergraduate degree of Bachelor of Science in Intelligence (BSI) on graduates of the College who have fulfilled the requirements for that degree.

The increasing complexity in the field of intelligence has created the need for a highly educated professional work force. Although the need to broaden the intelligence knowledge of Intelligence Community professionals has been recognized in degree programs such as the Master of Science in Strategic Intelligence (MSSI), the professional development of the Intelligence Community should not be limited to senior-level personnel. A substantial portion of the community is composed of intelligence personnel in the E-5 through E-9, warrant officer, and equivalent civilian grades. The Intelligence Community would benefit greatly by the addition of an undergraduate degree program designed to educate junior intelligence professionals.

The BSI is a degree completion program developed by the Joint Military Intelligence College focusing on intelligence collection and analysis, providing an intelligence major for those who have completed the first three years of an undergraduate program. This is a cost-effective means of increasing the professional competence of a key segment of the Community. It also serves to underpin a coherent career development program which may include the MSSI.

In his March 1996 Annual Report to the President and the Congress, the Secretary of Defense advised that the college was taking the steps necessary to acquire this additional degree granting authority. The BSI degree program enjoys wide support, which includes the Joint Military Intelligence College Board of Visitors, the Director of the Defense Intelligence Agency, and each of the Service intelligence organizations. As stated in the Department of Education report on the college's application, the program has already received informal support from the Middle States Association of

Colleges and Schools, the accreditation authority for the Joint Military Intelligence College. The program has been fully piloted, reviewed, and approved by the U.S. Department of Education.

Section 502 would extend through the end of FY 1999 the authority granted the Army in the Intelligence Authorization Act for Fiscal Year 1996 for the rectification of infrastructure and quality of life problems at Bad Aibling and Menwith Hill Stations. With respect to Bad Aibling Station, this authority is requested as an interim measure for contingency maintenance pending any final decision on the status of the Station.

The Army became the Executive Agent for Bad Aibling Station in FY 1995 and Menwith Hill Station in FY 1996. Without congressional action, the Army is prohibited by 31 U.S.C. § 1301 from using appropriated funds to support these field sites, notwithstanding that the Army is the Executive Agent for them. Language in the Intelligence Authorization Act for Fiscal Year 1996 provided the necessary flexibility to allow the Army to transfer or reprogram relatively minor amounts of funds (up to \$2 million in FY 1996 O&M and \$2 million in FY 1997 O&M funds) for necessary maintenance at these stations. Sufficient funding has not been available, however, to allow the Army to meet all of the stations' needs because of financial constraints and increasing operational tempo. Consequently, in order to continue addressing infrastructure and quality of life needs at Menwith Hill Station and to be able to meet contingencies on an interim basis at Bad Aibling Station, the Army's flexible transfer and reprogramming authority is extended through FY 1999.

Section 503 prohibits any person from publicly using the name, initials or seal of the National Reconnaissance Office (NRO) for commercial purposes without the joint written permission of the Secretary of Defense and the Director of Central Intelligence. The Central Intelligence Agency and National Imagery and Mapping Agency currently have identical provisions prohibiting unauthorized use of their names, initials, and seals. See Section 13 of the CIA Act, 50 U.S.C. § 403m (CIA); 10 U.S.C. § 445 (NIMA).

#### COMMITTEE ACTION

On June 4, 1997 the Select Committee on Intelligence approved the bill and ordered that it be favorably reported.

#### ESTIMATE OF COSTS

Pursuant to paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the estimated costs incurred in carrying out the provisions of this bill, for fiscal year 1998, are set forth in the classified annex to this bill. Estimates of the costs incurred in carrying out this bill in the five fiscal years thereafter are not available from the Executive branch, and therefore, the Committee deems it impractical, pursuant to paragraph 11(a)(3) of rule XXVI of the Standing Rules of the Senate, to include such estimates in this report.

## EVALUATION OF REGULATORY IMPACT

In accordance with paragraph 11(b) of rule XXXVI of the Standing Rules of the Senate, the Committee finds that no regulatory impact will be incurred by implementing the provisions of this legislation.

## CHANGES IN EXISTING LAW

In the opinion of the Committee, it is necessary to dispense with the requirements of section 12 of rule XXVI of the Standing Rules of the Senate in order to expedite the business of the Senate.

