

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEARS
2014 AND 2015

MAY 27, 2014.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. ROGERS of Michigan, from the Permanent Select Committee on
Intelligence, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 4681]

[Including cost estimate of the Congressional Budget Office]

The Permanent Select Committee on Intelligence, to whom was referred the bill (H.R. 4681) to authorize appropriations for fiscal years 2014 and 2015 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Intelligence Authorization Act for Fiscal Years 2014 and 2015”.

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

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

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.
Sec. 102. Classified Schedule of Authorizations.
Sec. 103. Personnel ceiling adjustments.
Sec. 104. Intelligence Community Management Account.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

Subtitle A—General Matters

- Sec. 301. Increase in employee compensation and benefits authorized by law.
- Sec. 302. Restriction on conduct of intelligence activities.
- Sec. 303. Specific authorization of funding for High Performance Computing Center 2.
- Sec. 304. Clarification of exemption from Freedom of Information Act of identities of employees submitting complaints to the Inspector General of the Intelligence Community.
- Sec. 305. Functional managers for the intelligence community.
- Sec. 306. Annual assessment of intelligence community performance by function.
- Sec. 307. Software licensing.
- Sec. 308. Plans to respond to unauthorized public disclosures of covert actions.
- Sec. 309. Auditability.
- Sec. 310. Public Interest Declassification Board.
- Sec. 311. Official representation items in support of the Coast Guard Attaché Program.
- Sec. 312. Declassification review of certain items collected during the mission that killed Osama bin Laden on May 1, 2011.
- Sec. 313. Merger of the Foreign Counterintelligence Program and the General Defense Intelligence Program.

Subtitle B—Reporting

- Sec. 321. Annual report on violations of law or executive order.
- Sec. 322. Submittal to Congress by heads of elements of intelligence community of plans for orderly shutdown in event of absence of appropriations.
- Sec. 323. Reports on chemical weapons in Syria.
- Sec. 324. Reports to the intelligence community on penetrations of networks and information systems of certain contractors.
- Sec. 325. Report on electronic waste.
- Sec. 326. Promoting STEM education to meet the future workforce needs of the intelligence community.
- Sec. 327. Assessment of security of domestic oil refineries and related rail transportation infrastructure.
- Sec. 328. Repeal or modification of certain reporting requirements.

TITLE IV—MATTERS RELATING TO ELEMENTS OF THE INTELLIGENCE COMMUNITY

- Sec. 401. Gifts, devises, and bequests to the Central Intelligence Agency.
- Sec. 402. Inspector General of the National Security Agency.

TITLE V—SECURITY CLEARANCE REFORM

- Sec. 501. Continuous evaluation and sharing of derogatory information regarding personnel with access to classified information.
- Sec. 502. Requirements for intelligence community contractors.
- Sec. 503. Technology improvements to security clearance processing.
- Sec. 504. Report on reciprocity of security clearances.
- Sec. 505. Improving the periodic reinvestigation process.
- Sec. 506. Appropriate committees of Congress defined.

TITLE VI—TECHNICAL AMENDMENTS

- Sec. 601. Technical amendments to the Central Intelligence Agency Act of 1949.
- Sec. 602. Technical amendments to the National Security Act of 1947 relating to the past elimination of certain positions.
- Sec. 603. Technical amendments to the Intelligence Authorization Act for Fiscal Year 2013.

SEC. 2. DEFINITIONS.

In this Act:

- (1) CONGRESSIONAL INTELLIGENCE COMMITTEES.—The term “congressional intelligence committees” means—
 - (A) the Select Committee on Intelligence of the Senate; and
 - (B) the Permanent Select Committee on Intelligence of the House of Representatives.
- (2) INTELLIGENCE COMMUNITY.—The term “intelligence community” has the meaning given that term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 3003(4)).

TITLE I—INTELLIGENCE ACTIVITIES**SEC. 101. AUTHORIZATION OF APPROPRIATIONS.**

Funds are hereby authorized to be appropriated for fiscal years 2014 and 2015 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

- (1) The Office of the Director of National Intelligence.
- (2) The Central Intelligence Agency.
- (3) The Department of Defense.
- (4) The Defense Intelligence Agency.
- (5) The National Security Agency.
- (6) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
- (7) The Coast Guard.
- (8) The Department of State.
- (9) The Department of the Treasury.
- (10) The Department of Energy.

- (11) The Department of Justice.
- (12) The Federal Bureau of Investigation.
- (13) The Drug Enforcement Administration.
- (14) The National Reconnaissance Office.
- (15) The National Geospatial-Intelligence Agency.
- (16) The Department of Homeland Security.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL LEVELS.—

(1) FISCAL YEAR 2014.—The amounts authorized to be appropriated under section 101 and, subject to section 103, the authorized personnel ceilings as of September 30, 2014, for the conduct of the intelligence activities of the elements listed in paragraphs (1) through (16) of section 101, are those specified in the classified Schedule of Authorizations for fiscal year 2014 prepared to accompany the bill H.R. 4681 of the One Hundred Thirteenth Congress.

(2) FISCAL YEAR 2015.—The amounts authorized to be appropriated under section 101 and, subject to section 103, the authorized personnel ceilings as of September 30, 2015, for the conduct of the intelligence activities of the elements listed in paragraphs (1) through (16) of section 101, are those specified in the classified Schedule of Authorizations for fiscal year 2015 prepared to accompany the bill H.R. 4681 of the One Hundred Thirteenth Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—

(1) AVAILABILITY.—The classified Schedules of Authorizations referred to in subsection (a) shall be made available to the Committee on Appropriations of the Senate, the Committee on Appropriations of the House of Representatives, and to the President.

(2) DISTRIBUTION BY THE PRESIDENT.—Subject to paragraph (3), the President shall provide for suitable distribution of the classified Schedules of Authorizations, or of appropriate portions of the Schedules, within the executive branch.

(3) LIMITS ON DISCLOSURE.—The President shall not publicly disclose the classified Schedules of Authorizations or any portion of such Schedules except—

- (A) as provided in section 601(a) of the Implementing Recommendations of the 9/11 Commission Act of 2007 (50 U.S.C. 3306(a));
- (B) to the extent necessary to implement the budget; or
- (C) as otherwise required by law.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR INCREASES.—The Director of National Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 2014 or 2015 by the classified Schedules of Authorizations referred to in section 102(a) if the Director of National Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed 3 percent of the number of civilian personnel authorized under the Schedule for such element during the fiscal year covered by such Schedule.

(b) TREATMENT OF CERTAIN PERSONNEL.—The Director of National Intelligence shall establish guidelines that govern, for each element of the intelligence community, the treatment under the personnel levels authorized under section 102(a), including any exemption from such personnel levels, of employment or assignment in—

- (1) a student program, trainee program, or similar program;
- (2) a reserve corps or as a reemployed annuitant; or
- (3) details, joint duty, or long term, full-time training.

(c) NOTICE TO CONGRESSIONAL INTELLIGENCE COMMITTEES.—The Director of National Intelligence shall notify the congressional intelligence committees in writing at least 15 days prior to each exercise of an authority described in subsection (a).

SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) FISCAL YEAR 2014.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of National Intelligence for fiscal year 2014 the sum of \$528,229,000. Within such amount, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for advanced research and development shall remain available until September 30, 2015.

(2) FISCAL YEAR 2015.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of National Intelligence for fiscal year 2015 the sum of \$505,476,000. Within such amount, funds identified in the classified Schedule of Authorizations referred to in section

102(a) for advanced research and development shall remain available until September 30, 2016.

(b) **AUTHORIZED PERSONNEL LEVELS.**—The elements within the Intelligence Community Management Account of the Director of National Intelligence are authorized 855 positions as of September 30, 2014, and 777 positions as of September 30, 2015. Personnel serving in such elements may be permanent employees of the Office of the Director of National Intelligence or personnel detailed from other elements of the United States Government.

(c) **CLASSIFIED AUTHORIZATIONS.**—

(1) **AUTHORIZATION OF APPROPRIATIONS.**—

(A) **FISCAL YEAR 2014.**—In addition to amounts authorized to be appropriated for the Intelligence Community Management Account by subsection (a), there are authorized to be appropriated for the Community Management Account for fiscal year 2014 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts for advanced research and development shall remain available until September 30, 2015.

(B) **FISCAL YEAR 2015.**—In addition to amounts authorized to be appropriated for the Intelligence Community Management Account by subsection (a), there are authorized to be appropriated for the Community Management Account for fiscal year 2014 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts for advanced research and development shall remain available until September 30, 2016.

(2) **AUTHORIZATION OF PERSONNEL.**—

(A) **FISCAL YEAR 2014.**—In addition to the personnel authorized by subsection (b) for elements of the Intelligence Community Management Account as of September 30, 2014, there are authorized such additional personnel for the Community Management Account as of that date as are specified in the classified Schedule of Authorizations referred to in section 102(a).

(B) **FISCAL YEAR 2015.**—In addition to the personnel authorized by subsection (b) for elements of the Intelligence Community Management Account as of September 30, 2015, there are authorized such additional personnel for the Community Management Account as of that date as are specified in the classified Schedule of Authorizations referred to in section 102(a).

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund \$514,000,000 for each of fiscal years 2014 and 2015.

TITLE III—GENERAL PROVISIONS

Subtitle A—General Matters

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

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

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

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

SEC. 303. SPECIFIC AUTHORIZATION OF FUNDING FOR HIGH PERFORMANCE COMPUTING CENTER 2.

Funds appropriated for the construction of the High Performance Computing Center 2 (HPCC 2), as described in the table entitled Consolidated Cryptologic Program (CCP) in the classified annex to accompany the Consolidated and Further Continuing Appropriations Act, 2013 (Public Law 113–6; 127 Stat. 198), in excess of the

amount specified for such activity in the tables in the classified annex prepared to accompany the Intelligence Authorization Act for Fiscal Year 2013 (Public Law 112–277; 126 Stat. 2468) shall be specifically authorized by Congress for the purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 3094).

SEC. 304. CLARIFICATION OF EXEMPTION FROM FREEDOM OF INFORMATION ACT OF IDENTITIES OF EMPLOYEES SUBMITTING COMPLAINTS TO THE INSPECTOR GENERAL OF THE INTELLIGENCE COMMUNITY.

Section 103H(g)(3)(A) of the National Security Act of 1947 (50 U.S.C. 3033(g)(3)(A)) is amended by striking “undertaken;” and inserting “undertaken, and this provision shall qualify as a withholding statute pursuant to subsection (b)(3) of section 552 of title 5, United States Code (commonly known as the ‘Freedom of Information Act’);”.

SEC. 305. FUNCTIONAL MANAGERS FOR THE INTELLIGENCE COMMUNITY.

(a) **FUNCTIONAL MANAGERS AUTHORIZED.**—Title I of the National Security Act of 1947 (50 U.S.C. 3021 et seq.) is amended by inserting after section 103I the following new section:

“SEC. 103J. FUNCTIONAL MANAGERS FOR THE INTELLIGENCE COMMUNITY.

“(a) **FUNCTIONAL MANAGERS AUTHORIZED.**—The Director of National Intelligence may establish within the intelligence community one or more positions of manager of an intelligence function. Any position so established may be known as the ‘Functional Manager’ of the intelligence function concerned.

“(b) **PERSONNEL.**—The Director shall designate individuals to serve as manager of intelligence functions established under subsection (a) from among officers and employees of elements of the intelligence community.

“(c) **DUTIES.**—Each manager of an intelligence function established under subsection (a) shall have the duties as follows:

“(1) To act as principal advisor to the Director on the intelligence function.

“(2) To carry out such other responsibilities with respect to the intelligence function as the Director may specify for purposes of this section.”.

(b) **TABLE OF CONTENTS AMENDMENT.**—The table of contents in the first section of the National Security Act of 1947 is amended by inserting after the item relating to section 103I the following new item:

“Sec. 103J. Functional managers for the intelligence community.”.

SEC. 306. ANNUAL ASSESSMENT OF INTELLIGENCE COMMUNITY PERFORMANCE BY FUNCTION.

(a) **ANNUAL ASSESSMENTS REQUIRED.**—Title V of the National Security Act of 1947 (50 U.S.C. 3091 et seq.) is amended by inserting after section 506I the following new section:

“SEC. 506J. ANNUAL ASSESSMENT OF INTELLIGENCE COMMUNITY PERFORMANCE BY FUNCTION.

“(a) **IN GENERAL.**—Not later than April 1, 2016, and each year thereafter, the Director of National Intelligence shall, in consultation with the Functional Managers, submit to the congressional intelligence committees a report on covered intelligence functions during the preceding year.

“(b) **ELEMENTS.**—Each report under subsection (a) shall include for each covered intelligence function for the year covered by such report the following:

“(1) An identification of the capabilities, programs, and activities of such intelligence function, regardless of the element of the intelligence community that carried out such capabilities, programs, and activities.

“(2) A description of the investment and allocation of resources for such intelligence function, including an analysis of the allocation of resources within the context of the National Intelligence Strategy, priorities for recipients of resources, and areas of risk.

“(3) A description and assessment of the performance of such intelligence function.

“(4) An identification of any issues related to the application of technical interoperability standards in the capabilities, programs, and activities of such intelligence function.

“(5) An identification of the operational overlap or need for de-confliction, if any, within such intelligence function.

“(6) A description of any efforts to integrate such intelligence function with other intelligence disciplines as part of an integrated intelligence enterprise.

“(7) A description of any efforts to establish consistency in tradecraft and training within such intelligence function.

“(8) A description and assessment of developments in technology that bear on the future of such intelligence function.

“(9) Such other matters relating to such intelligence function as the Director may specify for purposes of this section.

“(c) DEFINITIONS.—In this section:

“(1) The term ‘covered intelligence functions’ means each intelligence function for which a Functional Manager has been established under section 103J during the year covered by a report under this section.

“(2) The term ‘Functional Manager’ means the manager of an intelligence function established under section 103J.”

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents in the first section of the National Security Act of 1947 is amended by inserting after the item relating to section 506I the following new item:

“Sec. 506J. Annual assessment of intelligence community performance by function.”.

SEC. 307. SOFTWARE LICENSING.

(a) IN GENERAL.—Title I of the National Security Act of 1947 (50 U.S.C. 3021 et seq.) is amended by inserting after section 108 the following new section:

“SEC. 109. SOFTWARE LICENSING.

“(a) REQUIREMENT FOR INVENTORIES OF SOFTWARE LICENSES.—The chief information officer of each element of the intelligence community, in consultation with the Chief Information Officer of the Intelligence Community, shall biennially—

“(1) conduct an inventory of all existing software licenses of such element, including utilized and unutilized licenses;

“(2) assess the actions that could be carried out by such element to achieve the greatest possible economies of scale and associated cost savings in software procurement and usage; and

“(3) submit to the Chief Information Officer of the Intelligence Community each inventory required by paragraph (1) and each assessment required by paragraph (2).

“(b) INVENTORIES BY THE CHIEF INFORMATION OFFICER OF THE INTELLIGENCE COMMUNITY.—The Chief Information Officer of the Intelligence Community, based on the inventories and assessments required by subsection (a), shall biennially—

“(1) compile an inventory of all existing software licenses of the intelligence community, including utilized and unutilized licenses; and

“(2) assess the actions that could be carried out by the intelligence community to achieve the greatest possible economies of scale and associated cost savings in software procurement and usage.

“(c) REPORTS TO CONGRESS.—The Chief Information Officer of the Intelligence Community shall submit to the congressional intelligence committees a copy of each inventory compiled under subsection (b)(1).”.

(b) INITIAL INVENTORY.—

(1) INTELLIGENCE COMMUNITY ELEMENTS.—

(A) DATE.—Not later than 120 days after the date of the enactment of this Act, the chief information officer of each element of the intelligence community shall complete the initial inventory, assessment, and submission required under section 109(a) of the National Security Act of 1947, as added by subsection (a) of this section.

(B) BASIS.—The initial inventory conducted for each element of the intelligence community under section 109(a)(1) of the National Security Act of 1947, as added by subsection (a) of this section, shall be based on the inventory of software licenses conducted pursuant to section 305 of the Intelligence Authorization Act for Fiscal Year 2013 (Public Law 112–277; 126 Stat. 2472) for such element.

(2) CHIEF INFORMATION OFFICER OF THE INTELLIGENCE COMMUNITY.—Not later than 180 days after the date of the enactment of this Act, the Chief Information Officer of the Intelligence Community shall complete the initial compilation and assessment required under section 109(b) of the National Security Act of 1947, as added by subsection (a).

(c) TABLE OF CONTENTS AMENDMENTS.—The table of contents in the first section of the National Security Act of 1947 is amended—

(1) by striking the second item relating to section 104 (relating to Annual national security strategy report); and

(2) by inserting after the item relating to section 108 the following new item:

“Sec. 109. Software licensing.”.

SEC. 308. PLANS TO RESPOND TO UNAUTHORIZED PUBLIC DISCLOSURES OF COVERT ACTIONS.

Section 503 of the National Security Act of 1947 (50 U.S.C. 3093) is amended by adding at the end the following new subsection:

“(h) For each type of activity undertaken as part of a covert action, the President shall establish in writing a plan to respond to the unauthorized public disclosure of that type of activity.”.

SEC. 309. AUDITABILITY.

(a) IN GENERAL.—Title V of the National Security Act of 1947 (50 U.S.C. 3091 et seq.) is amended by adding at the end the following new section:

“SEC. 509. AUDITABILITY OF CERTAIN ELEMENTS OF THE INTELLIGENCE COMMUNITY.

“(a) REQUIREMENT FOR ANNUAL AUDITS.—The head of each covered entity shall ensure that there is a full financial audit of such covered entity each year beginning with fiscal year 2014. Such audits may be conducted by an internal or external independent accounting or auditing organization.

“(b) REQUIREMENT FOR UNQUALIFIED OPINION.—Beginning as early as practicable, but in no event later than the audit required under subsection (a) for fiscal year 2016, the head of each covered entity shall take all reasonable steps necessary to ensure that each audit required under subsection (a) contains an unqualified opinion on the financial statements of such covered entity for the fiscal year covered by such audit.

“(c) REPORTS TO CONGRESS.—The chief financial officer of each covered entity shall provide to the congressional intelligence committees an annual audit report from an accounting or auditing organization on each audit of the covered entity conducted pursuant to subsection (a).

“(d) COVERED ENTITY DEFINED.—In this section, the term ‘covered entity’ means the Office of the Director of National Intelligence, the Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, the National Reconnaissance Office, and the National Geospatial-Intelligence Agency.”.

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents in the first section of the National Security Act of 1947 is amended by inserting after the item relating to section 508 the following new item:

“Sec. 509. Auditability of certain elements of the intelligence community.”.

SEC. 310. PUBLIC INTEREST DECLASSIFICATION BOARD.

Section 710(b) of the Public Interest Declassification Act of 2000 (Public Law 106–567; 50 U.S.C. 3161 note) is amended by striking “2014.” and inserting “2018.”.

SEC. 311. OFFICIAL REPRESENTATION ITEMS IN SUPPORT OF THE COAST GUARD ATTACHÉ PROGRAM.

Notwithstanding any other limitation on the amount of funds that may be used for official representation items, the Secretary of Homeland Security may use funds made available to the Secretary through the National Intelligence Program for necessary expenses for intelligence analysis and operations coordination activities for official representation items in support of the Coast Guard Attaché Program.

SEC. 312. DECLASSIFICATION REVIEW OF CERTAIN ITEMS COLLECTED DURING THE MISSION THAT KILLED OSAMA BIN LADEN ON MAY 1, 2011.

Not later than 120 days after the date of the enactment of this Act, the Director of National Intelligence shall—

- (1) in the manner described in the classified annex to this Act—
 - (A) complete a declassification review of documents collected in Abbottabad, Pakistan, during the mission that killed Osama bin Laden on May 1, 2011; and
 - (B) make publicly available any information declassified as a result of the declassification review required under paragraph (1); and
- (2) report to the congressional intelligence committees—
 - (A) the results of the declassification review required under paragraph (1); and
 - (B) a justification for not declassifying any information required to be included in such declassification review that remains classified.

SEC. 313. MERGER OF THE FOREIGN COUNTERINTELLIGENCE PROGRAM AND THE GENERAL DEFENSE INTELLIGENCE PROGRAM.

Notwithstanding any other provision of law, the Director of National Intelligence shall carry out the merger of the Foreign Counterintelligence Program into the General Defense Intelligence Program as directed in the classified annex to this Act. The merger shall go into effect no earlier than 30 days after written notification of the merger is provided to the congressional intelligence committees.

Subtitle B—Reporting

SEC. 321. ANNUAL REPORT ON VIOLATIONS OF LAW OR EXECUTIVE ORDER.

(a) **IN GENERAL.**—Title V of the National Security Act of 1947 (50 U.S.C. 3091 et seq.), as amended by section 309, is further amended by adding at the end the following:

“SEC. 510. ANNUAL REPORT ON VIOLATIONS OF LAW OR EXECUTIVE ORDER.

“(a) **ANNUAL REPORTS REQUIRED.**—The Director of National Intelligence shall annually submit to the congressional intelligence committees a report on violations of law or executive order by personnel of an element of the intelligence community that were identified during the previous calendar year.

“(b) **ELEMENTS.**—Each report required under subsection (a) shall include a description of, and any action taken in response to, any violation of law or executive order (including Executive Order 12333 (50 U.S.C. 3001 note)) by personnel of an element of the intelligence community in the course of such employment that, during the previous calendar year, was determined by the director, head, general counsel, or inspector general of any element of the intelligence community to have occurred.”.

(b) **INITIAL REPORT.**—The first report required under section 510 of the National Security Act of 1947, as added by subsection (a), shall be submitted not later than one year after the date of the enactment of this Act.

(c) **TABLE OF CONTENTS AMENDMENT.**—The table of sections in the first section of the National Security Act of 1947, as amended by section 309 of this Act, is further amended by adding after the section relating to section 509, as added by such section 309, the following new item:

“Sec. 510. Annual report on violations of law or executive order.”.

SEC. 322. SUBMITTAL TO CONGRESS BY HEADS OF ELEMENTS OF INTELLIGENCE COMMUNITY OF PLANS FOR ORDERLY SHUTDOWN IN EVENT OF ABSENCE OF APPROPRIATIONS.

(a) **IN GENERAL.**—Whenever the head of an applicable agency submits a plan to the Director of the Office of Management and Budget in accordance with section 124 of Office of Management and Budget Circular A–11, pertaining to agency operations in the absence of appropriations, or any successor circular of the Office that requires the head of an applicable agency to submit to the Director a plan for an orderly shutdown in the event of the absence of appropriations, such head shall submit a copy of such plan to the following:

- (1) The congressional intelligence committees.
- (2) The Subcommittee on Defense of the Committee on Appropriations of the Senate.
- (3) The Subcommittee on Defense of the Committee on Appropriations of the House of Representatives.
- (4) In the case of a plan for an element of the intelligence community that is within the Department of Defense, to—
 - (A) the Committee on Armed Services of the Senate; and
 - (B) the Committee on Armed Services of the House of Representatives.

(b) **HEAD OF AN APPLICABLE AGENCY DEFINED.**—In this section, the term “head of an applicable agency” includes the following:

- (1) The Director of National Intelligence.
- (2) The Director of the Central Intelligence Agency.
- (3) Each head of each element of the intelligence community that is within the Department of Defense.

SEC. 323. REPORTS ON CHEMICAL WEAPONS IN SYRIA.

(a) **IN GENERAL.**—Not later than 30 days after the date of the enactment of this Act, the Director of National Intelligence shall submit to Congress a report on the Syrian chemical weapons program.

(b) **ELEMENTS.**—The report required under subsection (a) shall include the following elements:

- (1) A comprehensive assessment of chemical weapon stockpiles in Syria, including names, types, and quantities of chemical weapons agents, types of munitions, and location and form of storage, production, and research and development facilities.
- (2) A listing of key personnel associated with the Syrian chemical weapons program.
- (3) An assessment of undeclared chemical weapons stockpiles, munitions, and facilities.

(4) An assessment of how these stockpiles, precursors, and delivery systems were obtained.

(5) A description of key intelligence gaps related to the Syrian chemical weapons program.

(6) An assessment of any denial and deception efforts on the part of the Syrian regime related to its chemical weapons program.

(c) **PROGRESS REPORTS.**—Every 90 days until the date that is 18 months after the date of the enactment of this Act, the Director of National Intelligence shall submit to Congress a progress report providing any material updates to the report required under subsection (a).

SEC. 324. REPORTS TO THE INTELLIGENCE COMMUNITY ON PENETRATIONS OF NETWORKS AND INFORMATION SYSTEMS OF CERTAIN CONTRACTORS.

(a) **PROCEDURES FOR REPORTING PENETRATIONS.**—The Director of National Intelligence shall establish procedures that require each cleared intelligence contractor to report to an element of the intelligence community designated by the Director for purposes of such procedures when a network or information system of such contractor that meets the criteria established pursuant to subsection (b) is successfully penetrated.

(b) **NETWORKS AND INFORMATION SYSTEMS SUBJECT TO REPORTING.**—The Director of National Intelligence shall, in consultation with appropriate officials, establish criteria for covered networks to be subject to the procedures for reporting system penetrations under subsection (a).

(c) **PROCEDURE REQUIREMENTS.**—

(1) **RAPID REPORTING.**—The procedures established pursuant to subsection (a) shall require each cleared intelligence contractor to rapidly report to an element of the intelligence community designated pursuant to subsection (a) of each successful penetration of the network or information systems of such contractor that meet the criteria established pursuant to subsection (b). Each such report shall include the following:

(A) A description of the technique or method used in such penetration.

(B) A sample of the malicious software, if discovered and isolated by the contractor, involved in such penetration.

(C) A summary of information created by or for such element in connection with any program of such element that has been potentially compromised due to such penetration.

(2) **ACCESS TO EQUIPMENT AND INFORMATION BY INTELLIGENCE COMMUNITY PERSONNEL.**—The procedures established pursuant to subsection (a) shall—

(A) include mechanisms for intelligence community personnel to, upon request, obtain access to equipment or information of a cleared intelligence contractor necessary to conduct forensic analysis in addition to any analysis conducted by such contractor;

(B) provide that a cleared intelligence contractor is only required to provide access to equipment or information as described in subparagraph (A) to determine whether information created by or for an element of the intelligence community in connection with any intelligence community program was successfully exfiltrated from a network or information system of such contractor and, if so, what information was exfiltrated; and

(C) provide for the reasonable protection of trade secrets, commercial or financial information, and information that can be used to identify a specific person (other than the name of the suspected perpetrator of the penetration).

(3) **LIMITATION ON DISSEMINATION OF CERTAIN INFORMATION.**—The procedures established pursuant to subsection (a) shall prohibit the dissemination outside the intelligence community of information obtained or derived through such procedures that is not created by or for the intelligence community except—

(A) with the approval of the contractor providing such information;

(B) to the congressional intelligence committees or the Subcommittees on Defense of the Committees on Appropriations of the House of Representatives and the Senate for such committees and such Subcommittees to perform oversight; or

(C) to law enforcement agencies to investigate a penetration reported under this section.

(d) **ISSUANCE OF PROCEDURES AND ESTABLISHMENT OF CRITERIA.**—

(1) **IN GENERAL.**—Not later than 90 days after the date of the enactment of this Act, the Director of National Intelligence shall establish the procedures required under subsection (a) and the criteria required under subsection (b).

(2) **APPLICABILITY DATE.**—The requirements of this section shall apply on the date on which the Director of National Intelligence establishes the procedures required under this section.

(e) **COORDINATION WITH THE SECRETARY OF DEFENSE TO PREVENT DUPLICATE REPORTING.**—Not later than 180 days after the date of the enactment of this Act, the Director of National Intelligence and the Secretary of Defense shall establish procedures to permit a contractor that is a cleared intelligence contractor and a cleared defense contractor under section 941 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112–239; 10 U.S.C. 2224 note) to submit a single report that satisfies the requirements of this section and such section 941 for an incident of penetration of network or information system.

(f) **DEFINITIONS.**—In this section:

(1) **CLEARED INTELLIGENCE CONTRACTOR.**—The term “cleared intelligence contractor” means a private entity granted clearance by the Director of National Intelligence or the head of an element of the intelligence community to access, receive, or store classified information for the purpose of bidding for a contract or conducting activities in support of any program of an element of the intelligence community.

(2) **COVERED NETWORK.**—The term “covered network” means a network or information system of a cleared intelligence contractor that contains or processes information created by or for an element of the intelligence community with respect to which such contractor is required to apply enhanced protection.

(g) **SAVINGS CLAUSES.**—Nothing in this section shall be construed to alter or limit any otherwise authorized access by government personnel to networks or information systems owned or operated by a contractor that processes or stores government data.

SEC. 325. REPORT ON ELECTRONIC WASTE.

(a) **REPORT.**—Not later than 90 days after the date of the enactment of this Act, the Director of National Intelligence shall submit to the congressional intelligence committees a report on the extent to which the intelligence community has implemented the recommendations of the Inspector General of the Intelligence Community contained in the report entitled “Study of Intelligence Community Electronic Waste Disposal Practices” issued in May 2013. Such report shall include an assessment of the extent to which the policies, standards, and guidelines of the intelligence community governing the proper disposal of electronic waste are applicable to covered commercial electronic waste that may contain classified information.

(b) **FORM.**—The report required under subsection (a) shall be submitted in unclassified form, but may include a classified annex.

(c) **DEFINITIONS.**—In this section:

(1) **COVERED COMMERCIAL ELECTRONIC WASTE.**—The term “covered commercial electronic waste” means electronic waste of a commercial entity that contracts with an element of the intelligence community.

(2) **ELECTRONIC WASTE.**—The term “electronic waste” includes any obsolete, broken, or irreparable electronic device, including a television, copier, facsimile machine, tablet, telephone, computer, computer monitor, laptop, printer, scanner, and associated electrical wiring.

SEC. 326. PROMOTING STEM EDUCATION TO MEET THE FUTURE WORKFORCE NEEDS OF THE INTELLIGENCE COMMUNITY.

(a) **REPORT.**—Not later than 180 days after the date of the enactment of this Act, the Director of National Intelligence shall submit to the Secretary of Education and the congressional intelligence committees a report describing the anticipated hiring needs of the intelligence community in the fields of science, technology, engineering, and mathematics, including cybersecurity and computer literacy. The report shall—

(1) describe the extent to which competitions, challenges, or internships at elements of the intelligence community that do not involve access to classified information may be utilized to promote education in the fields of science, technology, engineering, and mathematics, including cybersecurity and computer literacy, within high schools or institutions of higher education in the United States;

(2) include cost estimates for carrying out such competitions, challenges, or internships; and

(3) include strategies for conducting expedited security clearance investigations and adjudications for students at institutions of higher education for purposes of offering internships at elements of the intelligence community.

(b) **CONSIDERATION OF EXISTING PROGRAMS.**—In developing the report under subsection (a), the Director shall take into consideration existing programs of the intelligence community, including the education programs of the National Security Agency and the Information Assurance Scholarship Program of the Department of Defense, as appropriate.

(c) **DEFINITIONS.**—In this section:

(1) HIGH SCHOOL.—The term “high school” mean a school that awards a secondary school diploma.

(2) INSTITUTION OF HIGHER EDUCATION.—The term “institution of higher education” has the meaning given the term in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

(3) SECONDARY SCHOOL.—The term “secondary school” has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

SEC. 327. ASSESSMENT OF SECURITY OF DOMESTIC OIL REFINERIES AND RELATED RAIL TRANSPORTATION INFRASTRUCTURE.

(a) ASSESSMENT.—The Under Secretary of Homeland Security for Intelligence and Analysis shall conduct an intelligence assessment of the security of domestic oil refineries and related rail transportation infrastructure.

(b) SUBMISSION.—Not later than 180 days after the date of the enactment of this Act, the Under Secretary of Homeland Security for Intelligence and Analysis shall submit to the congressional intelligence committees—

(1) the results of the assessment required under subsection (a); and

(2) any recommendations with respect to intelligence sharing or intelligence collection to improve the security of domestic oil refineries and related rail transportation infrastructure to protect the communities surrounding such refineries or such infrastructure from potential harm that the Under Secretary considers appropriate.

SEC. 328. REPEAL OR MODIFICATION OF CERTAIN REPORTING REQUIREMENTS.

(a) REPEAL OF REPORTING REQUIREMENTS.—

(1) THREAT OF ATTACK ON THE UNITED STATES USING WEAPONS OF MASS DESTRUCTION.—Section 114 of the National Security Act of 1947 (50 U.S.C. 3050) is amended by striking subsection (b).

(2) TREATY ON CONVENTIONAL ARMED FORCES IN EUROPE.—Section 2(5)(E) of the Senate resolution advising and consenting to ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe (CFE) of November 19, 1990, adopted at Vienna May 31, 1996 (Treaty Doc. 105-5) (commonly referred to as the “CFE Flank Document”), 105th Congress, agreed to May 14, 1997, is repealed.

(b) MODIFICATION OF REPORTING REQUIREMENTS.—

(1) INTELLIGENCE ADVISORY COMMITTEES.—Section 410(b) of the Intelligence Authorization Act for Fiscal Year 2010 (50 U.S.C. 3309) is amended to read as follows:

“(b) NOTIFICATION OF ESTABLISHMENT OF ADVISORY COMMITTEE.—The Director of National Intelligence and the Director of the Central Intelligence Agency shall each notify the congressional intelligence committees each time each such Director creates an advisory committee. Each notification shall include—

“(1) a description of such advisory committee, including the subject matter of such committee;

“(2) a list of members of such advisory committee; and

“(3) in the case of an advisory committee created by the Director of National Intelligence, the reasons for a determination by the Director under section 4(b)(3) of the Federal Advisory Committee Act (5 U.S.C. App.) that an advisory committee cannot comply with the requirements of such Act.”.

(2) INTELLIGENCE INFORMATION SHARING.—Section 102A(g)(4) of the National Security Act of 1947 (50 U.S.C. 3024(g)(4)) is amended to read as follows:

“(4) The Director of National Intelligence shall, in a timely manner, report to Congress any statute, regulation, policy, or practice that the Director believes impedes the ability of the Director to fully and effectively ensure maximum availability of access to intelligence information within the intelligence community consistent with the protection of the national security of the United States.”.

(3) INTELLIGENCE COMMUNITY BUSINESS SYSTEM TRANSFORMATION.—Section 506D(j) of the National Security Act of 1947 (50 U.S.C. 3100(j)) is amended in the matter preceding paragraph (1) by striking “2015” and inserting “2014”.

(4) ACTIVITIES OF PRIVACY AND CIVIL LIBERTIES OFFICERS.—Section 1062(f)(1) of the Intelligence Reform and Terrorism Prevention Act of 2004 (42 U.S.C. 2000ee–1(f)(1)) is amended in the matter preceding subparagraph (A) by striking “quarterly” and inserting “semiannually”.

(c) CONFORMING AMENDMENTS.—The National Security Act of 1947 (50 U.S.C. 3001 et seq.) is amended—

(1) in the table of contents in the first section, by striking the item relating to section 114 and inserting the following new item:

“Sec. 114. Annual report on hiring and retention of minority employees.”;

- (2) in section 114 (50 U.S.C. 3050)—
- (A) by amending the heading to read as follows: “**ANNUAL REPORT ON HIRING AND RETENTION OF MINORITY EMPLOYEES.**”;
 - (B) by striking “(a) ANNUAL REPORT ON HIRING AND RETENTION OF MINORITY EMPLOYEES.—”;
 - (C) by redesignating paragraphs (1) through (5) as subsections (a) through (e), respectively;
 - (D) in subsection (b) (as so redesignated)—
 - (i) by redesignating subparagraphs (A) through (C) as paragraphs (1) through (3), respectively; and
 - (ii) in paragraph (2) (as so redesignated)—
 - (I) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and
 - (II) in the matter preceding subparagraph (A) (as so redesignated), by striking “clauses (i) and (ii)” and inserting “subparagraphs (A) and (B)”;
 - (E) in subsection (d) (as redesignated by subparagraph (C) of this paragraph), by striking “subsection” and inserting “section”; and
 - (F) in subsection (e) (as redesignated by subparagraph (C) of this paragraph)—
 - (i) by redesignating subparagraphs (A) through (C) as paragraphs (1) through (3), respectively; and
 - (ii) by striking “subsection,” and inserting “section”; and
- (3) in section 507 (50 U.S.C. 3106)—
- (A) in subsection (a)—
 - (i) by striking “(1) The date” and inserting “The date”;
 - (ii) by striking “subsection (c)(1)(A)” and inserting “subsection (c)(1)”;
 - (iii) by striking paragraph (2); and
 - (iv) by redesignating subparagraphs (A) through (F) as paragraphs (1) through (6), respectively;
 - (B) in subsection (c)(1)—
 - (i) by striking “(A) Except” and inserting “Except”; and
 - (ii) by striking subparagraph (B); and
 - (C) in subsection (d)(1)—
 - (i) in subparagraph (A)—
 - (I) by striking “subsection (a)(1)” and inserting “subsection (a)”;
 - and
 - (II) by inserting “and” after “March 1.”;
 - (ii) by striking subparagraph (B); and
 - (iii) by redesignating subparagraph (C) as subparagraph (B).

TITLE IV—MATTERS RELATING TO ELEMENTS OF THE INTELLIGENCE COMMUNITY

SEC. 401. GIFTS, DEVISES, AND BEQUESTS TO THE CENTRAL INTELLIGENCE AGENCY.

Section 12 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 3512) is amended—

- (1) by striking the section heading and inserting “GIFTS, DEVISES, AND BEQUESTS”;
- (2) in subsection (a)(2)—
 - (A) by inserting “by the Director as a gift to the Agency” after “accepted”;
 - and
 - (B) by striking “this section” and inserting “this subsection”;
- (3) in subsection (b), by striking “this section,” and inserting “subsection (a).”;
- (4) in subsection (c), by striking “this section,” and inserting “subsection (a).”;
- (5) in subsection (d), by striking “this section” and inserting “subsection (a).”;
- (6) by redesignating subsection (f) as subsection (g); and
- (7) by inserting after subsection (e) the following:

“(f)(1) The Director may engage in fundraising in an official capacity for the benefit of nonprofit organizations that provide support to surviving family members of deceased Agency employees or that otherwise provide support for the welfare, education, or recreation of Agency employees, former Agency employees, or their family members.

“(2) In this subsection, the term ‘fundraising’ means the raising of funds through the active participation in the promotion, production, or presentation of an event designed to raise funds and does not include the direct solicitation of money by any other means.”

SEC. 402. INSPECTOR GENERAL OF THE NATIONAL SECURITY AGENCY.

(a) **ELEVATION OF INSPECTOR GENERAL STATUS.**—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in section 8G(a)(2), by striking “the National Security Agency,”; and

(2) in section 12—

(A) in paragraph (1), by inserting “the National Security Agency,” after “the Federal Emergency Management Agency,”; and

(B) in paragraph (2), by inserting “the National Security Agency,” after “the National Aeronautics and Space Administration,”.

(b) **DATE OF APPOINTMENT.**—Not later than 90 days after the date of the enactment of this Act, the President shall nominate a person for appointment, by and with the advice and consent of the Senate, as Inspector General of the National Security Agency under section 3(a) of the Inspector General Act of 1978 (5 U.S.C. App.) consistent with the amendments made by subsection (a).

(c) **TRANSITION RULE.**—An individual serving as Inspector General of the National Security Agency on the date of the enactment of this Act pursuant to an appointment made under section 8G of the Inspector General Act of 1978 (5 U.S.C. App.)—

(1) may continue so serving until the President makes an appointment under section 3(a) of such Act with respect to the National Security Agency consistent with the amendments made by subsection (a); and

(2) shall, while serving under paragraph (1), remain subject to the provisions of section 8G of such Act that, immediately before the date of the enactment of this Act, applied with respect to the Inspector General of the National Security Agency and suffer no reduction in pay.

(d) **SPECIAL PROVISIONS CONCERNING THE NATIONAL SECURITY AGENCY.**—The Inspector General Act of 1978 (5 U.S.C. App.) is amended by inserting after section 8J the following new section:

“SEC. 8K. SPECIAL PROVISIONS CONCERNING THE NATIONAL SECURITY AGENCY.

“(a) **GENERAL COUNSEL TO THE INSPECTOR GENERAL.**—

“(1) **IN GENERAL.**—There is a General Counsel to the Inspector General of the National Security Agency, who shall be appointed by the Inspector General of the National Security Agency.

“(2) **DUTIES.**—The General Counsel to the Inspector General of the National Security Agency shall—

“(A) serve as the chief legal officer of the Office of the Inspector General of the National Security Agency;

“(B) provide legal services only to the Inspector General of the National Security Agency;

“(C) prescribe professional rules of ethics and responsibilities for employees and officers of, and contractors to, the National Security Agency;

“(D) perform such functions as the Inspector General may prescribe; and

“(E) serve at the discretion of the Inspector General.

“(3) **OFFICE OF THE GENERAL COUNSEL.**—There is an Office of the General Counsel to the Inspector General of the National Security Agency. The Inspector General may appoint to the Office to serve as staff of the General Counsel such legal counsel as the Inspector General considers appropriate.

“(b) **TESTIMONY.**—

“(1) **AUTHORITY TO COMPEL.**—The Inspector General of the National Security Agency is authorized to require by subpoena the attendance and testimony of former employees of the National Security Agency or contractors, former contractors, or former detailees to the National Security Agency as necessary in the performance of functions assigned to the Inspector General by this Act.

“(2) **REFUSAL TO OBEY.**—A subpoena issued under this subsection, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court.

“(3) **NOTIFICATION.**—The Inspector General shall notify the Attorney General 7 days before issuing any subpoena under this section.

“(c) **PROHIBITIONS ON INVESTIGATIONS FOR NATIONAL SECURITY REASONS.**—

“(1) **EVALUATIONS OF PROHIBITIONS.**—Not later than 7 days after the date on which the Inspector General of the National Security Agency receives notice or a statement under section 8G(d)(2)(C) of the reasons the Secretary of Defense is prohibiting the Inspector General from initiating, carrying out, or completing any audit or investigation, the Inspector General shall submit to the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives and the Select Committee on Intelligence and the Committee on Armed Services of the Senate an evaluation of such notice and such statement.

“(2) INCLUSION IN SEMI-ANNUAL REPORT.—The Inspector General shall include in the semiannual report prepared by the Inspector General in accordance with section 5(a) a description of the instances in which the Secretary of Defense prohibited the Inspector General from initiating, carrying out, or completing any audit or investigation during the period covered by such report.”.

TITLE V—SECURITY CLEARANCE REFORM

SEC. 501. CONTINUOUS EVALUATION AND SHARING OF DEROGATORY INFORMATION REGARDING PERSONNEL WITH ACCESS TO CLASSIFIED INFORMATION.

Section 102A(j) of the National Security Act of 1947 (50 U.S.C. 3024(j)) is amended—

(1) in the heading, by striking “SENSITIVE COMPARTMENTED INFORMATION” and inserting “CLASSIFIED INFORMATION”;

(2) in paragraph (3), by striking “; and” and inserting a semicolon;

(3) in paragraph (4), by striking the period and inserting a semicolon; and

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

“(5) ensure that the background of each employee or officer of an element of the intelligence community, each contractor to an element of the intelligence community, and each individual employee of such a contractor who has been determined to be eligible for access to classified information is monitored on a continual basis under standards developed by the Director, including with respect to the frequency of evaluation, during the period of eligibility of such employee or officer of an element of the intelligence community, such contractor, or such individual employee to such a contractor to determine whether such employee or officer of an element of the intelligence community, such contractor, and such individual employee of such a contractor continues to meet the requirements for eligibility for access to classified information; and

“(6) develop procedures to require information sharing between elements of the intelligence community concerning potentially derogatory security information regarding an employee or officer of an element of the intelligence community, a contractor to an element of the intelligence community, or an individual employee of such a contractor that may impact the eligibility of such employee or officer of an element of the intelligence community, such contractor, or such individual employee of such a contractor for a security clearance.”.

SEC. 502. REQUIREMENTS FOR INTELLIGENCE COMMUNITY CONTRACTORS.

(a) REQUIREMENTS.—Section 102A of the National Security Act of 1947 (50 U.S.C. 3024) is amended by adding at the end the following new subsection:

“(x) REQUIREMENTS FOR INTELLIGENCE COMMUNITY CONTRACTORS.—The Director of National Intelligence, in consultation with the head of each department of the Federal Government that contains an element of the intelligence community and the Director of the Central Intelligence Agency, shall—

“(1) ensure that—

“(A) any contractor to an element of the intelligence community with access to a classified network or classified information develops and operates a security plan that is consistent with standards established by the Director of National Intelligence for intelligence community networks; and

“(B) each contract awarded by an element of the intelligence community includes provisions requiring the contractor comply with such plan and such standards;

“(2) conduct periodic assessments of each security plan required under paragraph (1)(A) to ensure such security plan complies with the requirements of such paragraph; and

“(3) ensure that the insider threat detection capabilities and insider threat policies of the intelligence community apply to facilities of contractors with access to a classified network.”.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to contracts entered into or renewed after the date of the enactment of this Act.

SEC. 503. TECHNOLOGY IMPROVEMENTS TO SECURITY CLEARANCE PROCESSING.

(a) IN GENERAL.—The Director of National Intelligence, in consultation with the Secretary of Defense and the Director of the Office of Personnel Management, shall conduct an analysis of the relative costs and benefits of potential improvements to the process for investigating persons who are proposed for access to classified information and adjudicating whether such persons satisfy the criteria for obtaining and retaining access to such information.

(b) CONTENTS OF ANALYSIS.—In conducting the analysis required by subsection (a), the Director of National Intelligence shall evaluate the costs and benefits associated with—

(1) the elimination of manual processes in security clearance investigations and adjudications, if possible, and automating and integrating the elements of the investigation process, including—

- (A) the clearance application process;
- (B) case management;
- (C) adjudication management;
- (D) investigation methods for the collection, analysis, storage, retrieval, and transfer of data and records; and
- (E) records management for access and eligibility determinations;

(2) the elimination or reduction, if possible, of the use of databases and information sources that cannot be accessed and processed automatically electronically, or modification of such databases and information sources, to enable electronic access and processing;

(3) the use of government-developed and commercial technology for continuous monitoring and evaluation of government and commercial data sources that can identify and flag information pertinent to adjudication guidelines and eligibility determinations;

(4) the standardization of forms used for routine reporting required of cleared personnel (such as travel, foreign contacts, and financial disclosures) and use of continuous monitoring technology to access databases containing such reportable information to independently obtain and analyze reportable data and events;

(5) the establishment of an authoritative central repository of personnel security information that is accessible electronically at multiple levels of classification and eliminates technical barriers to rapid access to information necessary for eligibility determinations and reciprocal recognition thereof;

(6) using digitally processed fingerprints, as a substitute for ink or paper prints, to reduce error rates and improve portability of data;

(7) expanding the use of technology to improve an applicant's ability to discover the status of a pending security clearance application or reinvestigation; and

(8) using government and publicly available commercial data sources, including social media, that provide independent information pertinent to adjudication guidelines to improve quality and timeliness, and reduce costs, of investigations and reinvestigations.

(c) REPORT TO CONGRESS.—Not later than 6 months after the date of the enactment of this Act, the Director of National Intelligence shall submit to the appropriate committees of Congress a report on the analysis required by subsection (a).

SEC. 504. REPORT ON RECIPROCITY OF SECURITY CLEARANCES.

The head of the entity selected pursuant to section 3001(b) of the Intelligence Reform and Terrorism Prevention Act of 2004 (50 U.S.C. 3341(b)) shall submit to the appropriate committees of Congress a report each year through 2017 that describes for the preceding year—

(1) the periods of time required by authorized adjudicative agencies for accepting background investigations and determinations completed by an authorized investigative entity or authorized adjudicative agency;

(2) the total number of cases in which a background investigation or determination completed by an authorized investigative entity or authorized adjudicative agency is accepted by another agency;

(3) the total number of cases in which a background investigation or determination completed by an authorized investigative entity or authorized adjudicative agency is not accepted by another agency; and

(4) such other information or recommendations as the head of the entity selected pursuant to such section 3001(b) considers appropriate.

SEC. 505. IMPROVING THE PERIODIC REINVESTIGATION PROCESS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter until December 31, 2017, the Director of National Intelligence, in consultation with the Secretary of Defense and the Director of the Office of Personnel Management, shall transmit to the appropriate committees of Congress a strategic plan for updating the process for periodic reinvestigations consistent with a continuous evaluation program.

(b) CONTENTS.—The plan required by subsection (a) shall include—

(1) an analysis of the costs and benefits associated with conducting periodic reinvestigations;

(2) an analysis of the costs and benefits associated with replacing some or all periodic reinvestigations with a program of continuous evaluation;

(3) a determination of how many risk-based and ad hoc periodic reinvestigations are necessary on an annual basis for each component of the Federal Government with employees with security clearances;

(4) an analysis of the potential benefits of expanding the Government's use of continuous evaluation tools as a means of improving the effectiveness and efficiency of procedures for confirming the eligibility of personnel for continued access to classified information; and

(5) an analysis of how many personnel with out-of-scope background investigations are employed by, or contracted or detailed to, each element of the intelligence community.

(c) PERIODIC REINVESTIGATIONS DEFINED.—In this section, the term “periodic reinvestigations” has the meaning given that term in section 3001(a) of the Intelligence Reform and Terrorism Prevention Act of 2004 (50 U.S.C. 3341(a)).

SEC. 506. APPROPRIATE COMMITTEES OF CONGRESS DEFINED.

In this title, the term “appropriate committees of Congress” means—

(1) the congressional intelligence committees;

(2) the Committee on Armed Services and the Committee on Homeland Security and Governmental Affairs of the Senate; and

(3) the Committee on Armed Services and the Committee on Homeland Security of the House of Representatives.

TITLE VI—TECHNICAL AMENDMENTS

SEC. 601. TECHNICAL AMENDMENTS TO THE CENTRAL INTELLIGENCE AGENCY ACT OF 1949.

Section 21 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 3521) is amended—

(1) in subsection (b)(1)(D), by striking “section (a)” and inserting “subsection (a)”; and

(2) in subsection (c)(2)(E), by striking “provider.” and inserting “provider”.

SEC. 602. TECHNICAL AMENDMENTS TO THE NATIONAL SECURITY ACT OF 1947 RELATING TO THE PAST ELIMINATION OF CERTAIN POSITIONS.

Section 101(a) of the National Security Act of 1947 (50 U.S.C. 3021(a)) is amended—

(1) in paragraph (5), by striking the semicolon and inserting “; and”;

(2) by striking paragraphs (6) and (7);

(3) by redesignating paragraph (8) as paragraph (6); and

(4) in paragraph (6) (as so redesignated), by striking “the Chairman of the Munitions Board, and the Chairman of the Research and Development Board.”

SEC. 603. TECHNICAL AMENDMENTS TO THE INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2013.

(a) AMENDMENTS.—Section 506 of the Intelligence Authorization Act for Fiscal Year 2013 (Public Law 112–277; 126 Stat. 2478) is amended—

(1) by striking “Section 606(5)” and inserting “Paragraph (5) of section 605”; and

(2) by inserting “, as redesignated by section 310(a)(4)(B) of this Act,” before “is amended”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the enactment of the Intelligence Authorization Act for Fiscal Year 2013 (Public Law 112–277).

PURPOSE

The purpose of H.R. 4681 is to authorize the intelligence and intelligence-related activities of the United States Government for Fiscal Years 2014 and 2015. These activities enhance the national security of the United States, support and assist the armed forces of the United States, and support the President in the execution of the foreign policy of the United States.

CLASSIFIED ANNEXES AND COMMITTEE INTENT

The classified annexes to this report include the classified schedules of authorizations and their associated explanatory language. The Committee views the classified annexes as integral parts of this legislation. The classified annexes contain thorough discussions of the issues considered by the Committee underlying the funding authorizations found in the classified schedules of authorizations. The Committee expects that all intelligence programs discussed in the classified annexes to this report will follow the guidance and limitations set forth as associated language therein. The classified schedules of authorizations are incorporated directly into this legislation by virtue of section 102 of the bill. The classified annexes are available for review by all Members of the House of Representatives, subject to the requirements of clause 13 of rule XXIII of the Rules of the House of Representatives and rule 14 of the Rules of Procedure for the House Permanent Select Committee on Intelligence.

SCOPE OF COMMITTEE REVIEW

The bill authorizes U.S. intelligence and intelligence-related activities within the jurisdiction of the Committee, including the National Intelligence Program (NIP) and the Military Intelligence Program (MIP). The NIP consists of all activities of the Office of the Director of National Intelligence, as well as those intelligence, intelligence-related, and counterintelligence activities conducted by: the Central Intelligence Agency; the Department of Defense; the Defense Intelligence Agency; the National Security Agency; the National Reconnaissance Office; the National Geospatial-Intelligence Agency; the Departments of the Army, Navy, and Air Force; the Department of State; the Department of the Treasury; the Department of Energy; the Department of Justice; the Federal Bureau of Investigation; the U.S. Coast Guard; the Department of Homeland Security; and the Drug Enforcement Administration. The Committee has exclusive legislative, authorizing, and oversight jurisdiction of these programs.

COMMITTEE STATEMENT AND VIEWS

The Fiscal Years 2014 and 2015 intelligence authorization bill funds all U.S. intelligence activities, spanning 16 separate agencies. It provides authorization for critical national security functions, including: CIA personnel and their activities worldwide; tactical intelligence support to combat units in Afghanistan; NSA's electronic surveillance and cyber defense; global monitoring of foreign militaries, weapons tests, and arms control treaties, including use of satellites and radars; real-time analysis and reporting on political and economic events, such as current events in the Middle East and Eastern Europe; and research and technology to maintain the country's technological edge.

This bill sustains today's intelligence capabilities and provides for future capabilities while staying within the funding constraints of the Budget Control Act. For Fiscal Year 2014, the bill authorizes funding that is slightly below the President's budget request level. Its funding levels are in line with the levels appropriated by the enacted appropriations act for the National Intelligence Program

and with the National Defense Authorization Act for the Military Intelligence Program.

For Fiscal Year 2015, the bill increases the President's budget request by less than one percent. This overall increase, set off by efficiencies the Committee identified, reflects the Committee's concern that the President's request does not fund a number of important initiatives and leaves several unacceptable shortfalls. In the absence of an Administration request for Fiscal Year 2015 Overseas Contingency Operations funding, the bill authorizes the Committee's conservative estimate of the amount that will be required.

The Committee's concerns about insufficient intelligence funding are only heightened for Fiscal Year 2016 and beyond, when post-sequester funding levels are due to resume. These concerns are exacerbated by the great expense necessary to remediate the damage from illegal disclosures of classified information.

As most of the intelligence budget involves highly classified programs, the bulk of this Committee's recommendations each year are found in the classified annexes to the bill. Among other initiatives, the bill increases funding to address insider threats and improve personnel security programs. The classified annexes also include a five-point budget framework to: (1) curb personnel growth; (2) find major operating efficiencies; (3) make only the best value investments; (4) deliver acquisitions on cost and on schedule; and (5) protect research and technology.

The legislative provisions are comprised of changes to statute that better enable the Community to conduct its important mission and strengthen oversight mechanisms where needed.

Personnel and Information Security Reforms

Over the past year, massive unauthorized disclosures of classified information caused immense damage to our national security. The Intelligence Community might have been able to prevent those unauthorized disclosures if it continuously evaluated the backgrounds of employees and contractors and if IC elements had more effectively shared potentially derogatory information about employees and contractors with each other.

Section 501 of the bill requires the Director of National Intelligence to ensure that all IC elements continuously determine whether their employees and contractors are eligible for access to classified information. Continuous evaluation allows the IC to take advantage of lawfully available government and public information to detect warning signals that the current system of five-year periodic reinvestigation misses. That information may include: foreign travel; reports of foreign contacts; financial disclosure information; checks of criminal, commercial marketing, and credit databases; and other appropriate publicly available information. By adopting continuous evaluation, a smaller number of cause-based and random reinvestigations can supplement and, over the long-term, replace, arbitrary periodic reinvestigations in the IC.

An effective continuous evaluation system also requires different elements of the IC to share information with each other in a timely fashion. Section 501 therefore also directs the DNI to develop procedures that require IC elements to share information that may impact the eligibility of employees or contractors for a security clearance with each other.

Contractors pose a unique information security challenge for the IC. Section 502 of the bill addresses that challenge by requiring the DNI to ensure that all IC contractors with access to classified information develop and operate security plans that meet the DNI's information security standards. Compliance with this requirement will not be left to chance: Going forward, every contract that an IC element signs must contain a clause requiring the contractor to abide by the DNI's standards. Under Section 502, the DNI must also ensure that IC contractors with access to classified networks follow the IC's insider threat detection policies.

Declassification of bin Laden documents

Section 312 of the bill requires the DNI to conduct a declassification review of certain documents collected in the May 2011 Abbottabad, Pakistan, mission that killed Osama bin Laden. That seminal moment in American history created an opportunity to improve public understanding of the threat al-Qaeda and its affiliates pose to the United States without harming national security. The cache of documents at bin Laden's compound can help the public understand the state of al-Qaeda in 2011, including the group's relationship to Pakistan and Iran, its role in past terror plots, and the strategic threat to the United States and its allies. Section 312 therefore requires the DNI to conduct a declassification review and make public documents that are not central to current intelligence operations, sources, methods, potential criminal investigations, or other national security interests. The bill also requires the DNI to brief the Committee about this effort and to explain why any of the documents must remain classified.

COMMITTEE CONSIDERATION AND ROLLCALL VOTES

On May 22, 2014, the Committee met in open and closed session and ordered the bill H.R. 4681 favorably reported, as amended.

OPEN SESSION

In open session, the Committee considered the text of the bill H.R. 4681. Chairman Rogers offered an amendment in the nature of a substitute to H.R. 4681. The contents of the amendment in the nature of a substitute are described in the Section-by-Section analysis and the Explanation of Amendment.

Chairman Rogers offered an amendment to the amendment in the nature of a substitute to require a "cooling off" period before former Intelligence Community senior employees could work for a foreign government or a company controlled by a foreign government. The amendment would also establish notification and reporting requirements for former IC senior employees. He subsequently withdrew the amendment.

Mr. Thompson offered an amendment to the amendment in the nature of a substitute that would require the Office of Intelligence and Analysis of the Department of Homeland Security to conduct an intelligence assessment of domestic oil refineries and related rail transportation infrastructure. The Committee adopted the amendment by a voice vote.

Ms. Schakowsky offered an amendment to the amendment in the nature of a substitute to prohibit lethal action against an indi-

vidual if the U.S. Government does not know the identity of that individual with a near certainty. The Committee rejected the amendment by a voice vote.

Mr. Langevin offered an amendment to the amendment in the nature of a substitute to establish an independent panel of experts to review the reforms enacted by the Intelligence Reform and Terrorism Prevention Act of 2004. He subsequently withdrew the amendment.

Mr. Himes offered an amendment to the amendment in the nature of a substitute to make the Inspector General of the National Security Agency a presidentially appointed, Senate-confirmed position and make other changes to increase the authority and independence of the Inspector General. The Committee adopted the amendment by a voice vote.

Mr. Himes offered an amendment to the amendment in the nature of a substitute to require the Director of National Intelligence to submit an annual report to the congressional intelligence committees on violations of law or executive order by Intelligence Community personnel. The Committee adopted the amendment by a voice vote.

The amendment in the nature of a substitute as amended was agreed to by a voice vote.

CLOSED SESSION

Mr. Ruppertsberger moved to close the meeting for consideration of the two classified schedules of authorizations because national security would be endangered if the matters to be considered were disclosed. The motion was agreed to by a record vote of 17 ayes to 0 noes:

Voting aye: Mr. Rogers (chairman), Mr. Thornberry, Mr. Conaway, Mr. King, Mr. LoBiondo, Mr. Nunes, Mrs. Bachmann, Mr. Rooney, Mr. Heck, Mr. Ruppertsberger, Mr. Thompson, Ms. Schakowsky, Mr. Langevin, Mr. Schiff, Mr. Gutierrez, Mr. Himes, Ms. Sewell.

Voting no: None.

The Committee first considered the classified Fiscal Year 2014 schedule of authorizations, which it adopted by a voice vote.

The Committee then considered the classified Fiscal Year 2015 schedule of authorizations.

Mr. Thompson offered an amendment to the classified Fiscal Year 2015 schedule of authorizations (annex). The Committee adopted the amendment by a voice vote.

The Committee then adopted the classified Fiscal Year 2015 schedule of authorizations, as amended, by a voice vote.

OPEN SESSION

By unanimous consent, the Committee returned to open session.

The Committee then adopted a motion by the Chairman to favorably report the bill H.R. 4681 to the House, as amended, including by reference the classified schedules of authorizations, as amended. The motion was agreed to by a voice vote.

SECTION-BY-SECTION ANALYSIS AND EXPLANATION OF AMENDMENT

Section 1—Short Title and Table of Contents

Section 1 of the bill contains the short title for the bill and the table of contents.

Section 2—Definitions

Section 2 of the bill defines the terms “congressional intelligence committees” and “Intelligence Community.”

TITLE I—INTELLIGENCE ACTIVITIES

Section 101—Authorization of Appropriations

Section 101 of the bill authorizes appropriations for Fiscal Years 2014 and 2015 for the intelligence and intelligence-related activities of these elements of the United States Government: The Office of the Director of National Intelligence (including the National Counterterrorism Center), the Central Intelligence Agency, the Department of Defense, the Defense Intelligence Agency, the National Security Agency, the Departments of the Army, Navy, and Air Force, the Coast Guard, the Department of State, the Department of the Treasury, the Department of Energy, the Department of Justice, the Federal Bureau of Investigation, the Drug Enforcement Administration, the National Reconnaissance Office, the National Geospatial Intelligence Agency, and the Department of Homeland Security.

Section 102—Classified Schedule of Authorizations

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

Section 103—Personnel Ceiling Adjustments

Section 103 of the bill authorizes the Director of National Intelligence to make certain increases to the authorized personnel levels for Fiscal Years 2014 and 2015 when necessary to the performance of important intelligence functions, but not to exceed three percent of the number of civilian personnel authorized.

Section 103 also requires the Director of National Intelligence to establish guidelines that govern the treatment of personnel levels, including exemption from levels for details, joint-duty, long-term full-time training, students, and trainee programs or similar programs.

Section 104—Intelligence Community Management Account

Section 104 of the bill authorizes appropriations for the Intelligence Community Management Account of the Director of National Intelligence and sets the authorized full-time equivalent personnel levels for the elements within the Community Management Account for fiscal years 2014 and 2015.

Section 104 also authorizes additional classified appropriations and personnel levels for the Community Management Account as specified in the classified schedules of authorizations, permits the

Fiscal Year 2014 funding for advanced research and development to remain available through September 30, 2015, and permits the Fiscal Year 2015 funding for advanced research and development to remain available through September 30, 2016.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Section 201—Authorization of Appropriations

Section 201 of the bill authorizes \$514,000,000 for the Central Intelligence Agency Retirement and Disability System for each of Fiscal Years 2014 and 2015.

TITLE III—GENERAL PROVISIONS

SUBTITLE A—GENERAL MATTERS

Section 301—Increase in Employee Compensation and Benefits Authorized by Law

Section 301 of the bill provides that the authorized amounts may be increased by such additional or supplemental amounts as may be necessary for increases in compensation or benefits authorized by law.

Section 302—Restriction on Conduct of Intelligence Activities

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

Section 303—Specific Authorization of Funding for High Performance Computing Center 2

Section 303 of the bill provides that funds appropriated for the construction of the High Performance Computer Center 2, as described in the table entitled Consolidated Cryptologic Program in the classified annex to accompany the Consolidated and Further Continuing Appropriations Act, 2013, in excess of the amount specified for such activity in the tables of the classified annex that accompanied the Intelligence Authorization Act for Fiscal Year 2013 shall be specifically authorized by Congress for the purposes of Section 504 of the National Security Act of 1947.

Section 304—Clarification of Exemption from Freedom of Information Act of Identities of Employees Submitting Complaints to the Inspector General of the Intelligence Community

Section 304 of the bill clarifies that Section 103H(g)(3) of the National Security Act of 1947 shall qualify as a withholding statute pursuant to the Freedom of Information Act.

Section 305—Functional Managers for the Intelligence Community

Section 305 of the bill codifies the existing Executive Order 12333 authority of the Director of National Intelligence to designate functional managers for intelligence disciplines. Section 305 also codifies the responsibility of functional managers to act as the principal adviser to the Director of National Intelligence for their respective intelligence function.

Section 306—Annual Assessment of Intelligence Community Performance by Function

Section 306 of the bill establishes a new requirement for each functional manager to report to the congressional intelligence committees annually on the state of their function. The reporting requirement calls on each functional manager to, among other things, identify those programs, projects, and activities that comprise the intelligence discipline for which they are responsible and to report on resource issues and other matters relevant to the state of their function.

Section 307—Software Licensing

Section 307 of this bill builds upon the Intelligence Authorization Act for Fiscal Year 2013 by requiring that, every two years, the chief information officers of each element of the Intelligence Community: (1) conduct an inventory of software licenses held by that element, including both utilized and unutilized licenses held by the element, and (2) assess the actions that could be carried out by such element to achieve the greatest possible economies of scale and associated cost savings in software procurement and usage. Section 307 also specifies that the initial inventories and assessments shall be based on the inventories that were required under Section 305 of the Fiscal Year 2013 Act.

Section 307 further provides that, not later than 180 days after enactment, and every two years thereafter, the Chief Information Officer shall compile an inventory of all existing software licenses of the Intelligence Community and assess actions that could be carried out by the Intelligence Community to achieve the greatest possible economies of scale and associated cost savings in software procurement and usage. The Chief Information Officer must then submit to the congressional intelligence committees a copy of each inventory compiled.

Section 308—Plans To Respond to Unauthorized Disclosures of Covert Actions

Section 308 of the bill requires the President to establish a written plan for how to respond to an unauthorized disclosure of each type of activity within a covert action program.

Section 309—Auditability

Section 309 of the bill requires the Office of the Director of National Intelligence, Central Intelligence Agency, Defense Intelligence Agency, National Geospatial Intelligence Agency, National Reconnaissance Office, and National Security Agency to undergo full financial audits conducted by internal or external independent accounting or auditing organizations beginning with each agency's Fiscal Year 2014 financial statements. In addition, Section 309 requires each of the aforementioned agencies to obtain an unqualified opinion not later than the audit of their Fiscal Year 2016 financial statements. The chief financial executive of each of the aforementioned agencies must provide to the congressional intelligence committees an annual report of each audit conducted.

Section 310—Public Interest Declassification Board

Section 310 of the bill extends the current authorization for the Public Interest Declassification Board from December 31, 2014 until December 31, 2018.

Section 311—Official Representation Items in Support of the Coast Guard Attaché Program

Section 311 of the bill allows the Coast Guard to spend National Intelligence Program funds on official representation items in support of its attaché program.

Section 312—Declassification Review of Certain Items Collected During the Mission that Killed Osama bin Laden on May 1, 2011

Section 312 of the bill requires the Director of National Intelligence to perform a declassification review of documents collected in Abbottabad, Pakistan, during the mission that killed Osama bin Laden on May 1, 2011, and to release the declassified results of that review. It also requires the Director of National Intelligence to report to the congressional intelligence committees a justification for why any of those documents must remain classified.

Section 313—Merger of the Foreign Counterintelligence Program and the General Defense Intelligence Program

Section 313 of the bill requires the Director of National Intelligence to merge the Foreign Counterintelligence Program into the General Defense Intelligence Program as directed by the classified annexes. It also requires the Director of National Intelligence to provide written notification of the merger to the congressional intelligence committees at least 30 days in advance.

SUBTITLE B—REPORTING

Section 321—Annual Report on Violations of Law or Executive Order

Section 321 of the bill requires the Director of National Intelligence to submit an annual report to the congressional intelligence committees on violations of law or executive order by Intelligence Community personnel.

Section 322—Submittal to Congress by Heads of Elements of Intelligence Community of Plans for Orderly Shutdown in Event of Absence of Appropriations

Section 322 of the bill requires the head of each element of the Intelligence Community, upon submission of a plan pertaining to agency operations in the absence of appropriations to the Director of the Office of Management and Budget, to submit a copy of such plan to the congressional committees of jurisdiction in a manner consistent with security handling requirements.

Section 323—Reports on Chemical Weapons in Syria

Section 323 of the bill directs the Director of National Intelligence to submit to the appropriate congressional committees, within 30 days, a report on the Syrian chemical weapons program. In addition, the Director of National Intelligence must provide the

appropriate congressional committees with progress reports every 90 days that include any material updates on the Syrian chemical weapons program.

Section 324—Reports to the Intelligence Community on Penetrations of Networks and Information Systems of Certain Contractors

Section 324 of the bill directs the Director of National Intelligence to establish procedures that require cleared intelligence contractors to notify the government of any successful unauthorized penetration of the contractor's network or information systems and to provide the government with access to such systems in order to perform forensic analysis in the event of a penetration.

Section 325—Report on Electronic Waste

Section 325 of the bill requires the Director of National Intelligence to prepare a report on the extent to which the Intelligence Community has implemented the recommendations of a May 2013 Inspector General of the Intelligence Community report on electronic waste disposal practices.

Section 326—Promoting STEM Education To Meet the Future Workforce Needs of the Intelligence Community

Section 326 of the bill requires the Director of National Intelligence to report on the anticipated hiring needs of the Intelligence Community in the fields of science, technology, engineering, and mathematics. The report must describe potential ways to promote cybersecurity and computer literacy among high school and university students, include cost estimates and strategies for offering internships, and include strategies for conducting expedited security clearance investigations.

Section 327—Assessment of the Security of Domestic Oil Refineries and Related Rail Transportation Infrastructure

Section 327 of the bill requires the Under Secretary of Homeland Security for Intelligence and Analysis to conduct an intelligence assessment of the security of domestic oil refineries and related rail transportation infrastructure.

Section 328—Repeal or Modification of Certain Reporting Requirements

Section 328 of the bill repeals or modifies various Intelligence Community reporting requirements.

TITLE IV—MATTERS RELATING TO ELEMENTS OF THE INTELLIGENCE COMMUNITY

Section 401—Gifts, Devises, and Bequests to the Central Intelligence Agency

Section 401 of the bill gives the Director of the Central Intelligence Agency the authority to engage in fundraising in an official capacity for the benefit of nonprofit organizations that provide support to surviving family members of deceased Agency employees or that otherwise provide support for the welfare, education, or recreation of Agency employees, former Agency employees, or their family members.

Section 402—Inspector General of the National Security Agency

Section 402 of the bill requires the President to appoint the Inspector General of the National Security Agency, by and with the advice and consent of the Senate. Section 402 also gives the Inspector General of the National Security Agency the authority to issue subpoenas, establishes the position of General Counsel to the Inspector General in law, and requires notification of the appropriate congressional committees if the Secretary of Defense prohibits an Inspector General audit or investigation for national security reasons.

TITLE V—SECURITY CLEARANCE REFORM

Section 501—Continuous Evaluation and Sharing of Derogatory Information Regarding Personnel with Access to Classified Information

Section 501 of the bill amends the National Security Act of 1947 to require the Director of National Intelligence to ensure that all Intelligence Community elements continuously determine whether their employees and contractors meet the requirements for eligibility for access to classified information.

Section 502—Requirements for Intelligence Community Contractors

Section 502 of the bill requires the Director of National Intelligence to ensure that contractors have in place security plans consistent with standards for handling classified information. It also requires the Director of National Intelligence to ensure insider threat detection capabilities of the Intelligence Community apply to contractors with access to classified information.

Section 503—Technology Improvements for Security Clearance Processing

Section 503 of the bill requires the Director of National Intelligence, in consultation with the Secretary of Defense and the Director of the Office of Personnel Management, to conduct an analysis of the relative costs and benefits of potential improvements to the process for investigating persons who are proposed for access to classified information and adjudicating whether such persons satisfy the criteria for obtaining and retaining access to such information.

Section 504—Report on Reciprocity of Security Clearances

Section 504 of the bill requires the Director of National Intelligence to submit an annual report to Congress that provides information on the reciprocal treatment of security clearances, including (1) the periods of time required by authorized adjudicative agencies for accepting background investigations and determinations completed by an authorized investigative entity or authorized adjudicative agency, (2) the total number of cases in which a background investigation or determination completed by an authorized investigative entity or authorized adjudicative agency is accepted by another agency, and (3) the total number of cases in which a background investigation or determination completed by an authorized investigative entity or authorized adjudicative agency is not accepted by another agency.

Section 505—Improving the Periodic Reinvestigation Process

Section 505 of the bill requires the Director of National Intelligence, in consultation with the Secretary of Defense and the Director of the Office of Personnel Management, to transmit to Congress through 2017 an annual strategic plan for improving the process for periodic reinvestigations.

Section 506—Appropriate Committees of Congress Defined

Section 506 of the bill defines the term “appropriate committees of Congress” as used in title V.

TITLE VI—TECHNICAL AMENDMENTS

Section 601—Technical Amendments to the Central Intelligence Agency Act of 1949

Section 601 of the bill corrects an erroneous reference to “section a” to properly reflect “subsection a.” Section 601 also corrects a punctuation error.

Section 602—Technical Amendments to the National Security Act of 1947 Relating to the Past Elimination of Certain Positions

Section 602 of the bill removes references to two positions (the Director for Mutual Security and the Chairman of the National Security Resources Board) from the National Security Council statute because the entities no longer exist.

Section 603—Technical Amendments to the Intelligence Authorization Act for Fiscal Year 2013

Section 603 of the bill makes technical corrections to the Fiscal Year 13 Intelligence Authorization Act to correctly refer to a paragraph, and to correct references that were amended in that bill.

OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee held multiple hearings on the classified budgetary issues raised by H.R. 4681. The bill, as reported by the Committee, reflects conclusions reached by the Committee in light of this oversight activity.

GENERAL PERFORMANCE GOALS AND OBJECTIVES

The goals and objectives of H.R. 4681 are to authorize the intelligence and intelligence-related activities of the United States Government for Fiscal Years 2014 and 2015. These activities enhance the national security of the United States, support and assist the armed forces of the United States, and support the President in the execution of the foreign policy of the United States.

The classified annexes that accompany this report reflect in great detail the Committee’s specific performance goals and objectives at the programmatic level with respect to classified programs.

UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandates Reform Act, P.L. 104–4) requires a statement of whether the

provisions of the reported bill include unfunded mandates. In compliance with this requirement, the Committee has received a letter from the Congressional Budget Office included herein.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 23, 2014.

Hon. MIKE ROGERS,
*Chairman, Permanent Select Committee on Intelligence,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4681, the Intelligence Authorization Act for Fiscal Years 2014 and 2015.

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

Sincerely,

DOUGLAS W. ELMENDORF,
Director.

Enclosure.

*H.R. 4681—Intelligence Authorization Act for Fiscal Years 2014
and 2015*

H.R. 4681 would authorize appropriations for fiscal years 2014 and 2015 for intelligence activities of the U.S. government. Since CBO does not provide estimates for classified programs, this estimate addresses only the unclassified aspects of the bill. On that limited basis, CBO estimates that implementing H.R. 4681 would cost about \$500 million over the 2015–2019 period, subject to the appropriation of the specified and estimated amounts.

Section 104 would authorize appropriations of \$528 million and \$505 million for fiscal years 2014 and 2015, respectively, for the Intelligence Community Management Account (ICMA). The ICMA provides the principal source of funding for the Office of the Director of National Intelligence and resources for managing the intelligence agencies. Because CBO anticipates that the bill would be enacted near the start of fiscal year 2015, we estimate that this provision would not affect spending in 2014. However, assuming the appropriation of the amount authorized for fiscal year 2015, CBO estimates that implementing section 104 would cost about \$330 million in fiscal year 2015 and about \$500 million over the 2015–2019 period.

Section 603 would extend through 2018 the authorization for the Public Interest Declassification Board. The board advises the President on the government's standards and procedures for releasing and declassifying information. Based on information from the National Archives, CBO estimates that implementing this provision would cost less than \$500,000 over the 2015–2019 period.

Enacting H.R. 4681 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. Section 201 would authorize the appropriation of \$514 million for the Central Intelligence Agency Retirement and Disability System for both fiscal years 2014 and 2015 (CIARDS). Appropriations to CIARDS are considered mandatory and fund various unfunded liabilities of the system. However, because the amounts authorized are the same as

the amounts projected in the CBO baseline, CBO does not ascribe any additional cost to this provision.

H.R. 4681 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

On February 5, 2014, CBO transmitted a cost estimate for S. 1681, the Intelligence Authorization Act for Fiscal Year 2014, as reported by the Senate Select Committee on Intelligence on November 12, 2013. S. 1681 would authorize the appropriation of \$569 million for fiscal year 2014, or \$41 million more than the amount authorized in H.R. 4681. However, unlike our estimate for S. 1681, CBO does not ascribe any cost to that authorization because we expect that H.R. 4681 would not be enacted until near the start of fiscal year 2015. Other differences in the estimated costs of S. 1681 and H.R. 4681 reflect differences between the two bills.

The CBO staff contact for this estimate is Jason Wheelock. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

STATEMENT ON CONGRESSIONAL EARMARKS

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee states that the bill as reported contains no congressional earmarks, limited tax benefits, or limited tariff benefits.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

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

NATIONAL SECURITY ACT OF 1947

SHORT TITLE

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

* * * * *

TITLE I—COORDINATION FOR NATIONAL SECURITY

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Sec. 103J. Functional managers for the intelligence community.

* * * * *

[Sec. 104. Annual national security strategy report.]

Sec. 109. Software licensing.

* * * * *

[Sec. 114. Additional annual reports from the Director of National Intelligence.]

Sec. 114. Annual report on hiring and retention of minority employees.

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TITLE V—ACCOUNTABILITY FOR INTELLIGENCE ACTIVITIES

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Sec. 506J. Annual assessment of intelligence community performance by function.

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Sec. 509. *Auditability of certain elements of the intelligence community.*
Sec. 510. *Annual report on violations of law or executive order.*

* * * * *

TITLE I—COORDINATION FOR NATIONAL SECURITY

NATIONAL SECURITY COUNCIL

SEC. 101. (a) There is hereby established a council to be known as the National Security Council (hereinafter in this section referred to as the "Council").

The President of the United States shall preside over meetings of the Council: *Provided*, That in his absence he may designate a member of the Council to preside in his place.

The function of the Council shall be to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security so as to enable the military services and the other departments and agencies of the Government to cooperate more effectively in matters involving the national security.

The Council shall be composed of—

(1) * * *

* * * * *

(5) the Secretary of Energy[;]; *and*

[(6) the Director for Mutual Security;

[(7) the Chairman of the National Security Resources Board; and]

[(8)] (6) The Secretaries and Under Secretaries of other executive departments and the military departments, [the Chairman of the Munitions Board, and the Chairman of the Research and Development Board,] when appointed by the President by and with the advice and consent of the Senate, to serve at his pleasure.

* * * * *

RESPONSIBILITIES AND AUTHORITIES OF THE DIRECTOR OF NATIONAL INTELLIGENCE

SEC. 102A. (a) * * *

* * * * *

(g) INTELLIGENCE INFORMATION SHARING.—(1) * * *

* * * * *

[(4) Not later than February 1 of each year, the Director of National Intelligence shall submit to the President and to the Congress an annual report that identifies any statute, regulation, policy, or practice that the Director believes impedes the ability of the Director to fully and effectively implement paragraph (1).]

(4) *The Director of National Intelligence shall, in a timely manner, report to Congress any statute, regulation, policy, or practice that the Director believes impedes the ability of the Director to fully and effectively ensure maximum availability of access to intelligence information within the intelligence community consistent with the protection of the national security of the United States.*

* * * * *

(j) UNIFORM PROCEDURES FOR **【SENSITIVE COMPARTMENTED INFORMATION】** *CLASSIFIED INFORMATION*.—The Director of National Intelligence, subject to the direction of the President, shall—

(1) * * *

* * * * *

(3) ensure that security clearances granted by individual elements of the intelligence community are recognized by all elements of the intelligence community, and under contracts entered into by those agencies~~【; and】~~;

(4) ensure that the process for investigation and adjudication of an application for access to sensitive compartmented information is performed in the most expeditious manner possible consistent with applicable standards for national security~~【.】~~;

(5) *ensure that the background of each employee or officer of an element of the intelligence community, each contractor to an element of the intelligence community, and each individual employee of such a contractor who has been determined to be eligible for access to classified information is monitored on a continual basis under standards developed by the Director, including with respect to the frequency of evaluation, during the period of eligibility of such employee or officer of an element of the intelligence community, such contractor, or such individual employee to such a contractor to determine whether such employee or officer of an element of the intelligence community, such contractor, and such individual employee of such a contractor continues to meet the requirements for eligibility for access to classified information; and*

(6) *develop procedures to require information sharing between elements of the intelligence community concerning potentially derogatory security information regarding an employee or officer of an element of the intelligence community, a contractor to an element of the intelligence community, or an individual employee of such a contractor that may impact the eligibility of such employee or officer of an element of the intelligence community, such contractor, or such individual employee of such a contractor for a security clearance.*

* * * * *

(x) *REQUIREMENTS FOR INTELLIGENCE COMMUNITY CONTRACTORS*.—The Director of National Intelligence, in consultation with the head of each department of the Federal Government that contains an element of the intelligence community and the Director of the Central Intelligence Agency, shall—

(1) *ensure that—*

(A) *any contractor to an element of the intelligence community with access to a classified network or classified information develops and operates a security plan that is consistent with standards established by the Director of National Intelligence for intelligence community networks; and*

(B) *each contract awarded by an element of the intelligence community includes provisions requiring the contractor comply with such plan and such standards;*

(2) *conduct periodic assessments of each security plan required under paragraph (1)(A) to ensure such security plan complies with the requirements of such paragraph; and*

(3) ensure that the insider threat detection capabilities and insider threat policies of the intelligence community apply to facilities of contractors with access to a classified network.

* * * * *

INSPECTOR GENERAL OF THE INTELLIGENCE COMMUNITY

SEC. 103H. (a) * * *

* * * * *

(g) AUTHORITIES.—(1) * * *

* * * * *

(3) The Inspector General is authorized to receive and investigate, pursuant to subsection (h), complaints or information from any person concerning the existence of an activity within the authorities and responsibilities of the Director of National Intelligence constituting a violation of laws, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority, or a substantial and specific danger to the public health and safety. Once such complaint or information has been received from an employee of the intelligence community—

(A) the Inspector General shall not disclose the identity of the employee without the consent of the employee, unless the Inspector General determines that such disclosure is unavoidable during the course of the investigation or the disclosure is made to an official of the Department of Justice responsible for determining whether a prosecution should be [undertaken;] undertaken, and this provision shall qualify as a withholding statute pursuant to subsection (b)(3) of section 552 of title 5, United States Code (commonly known as the “Freedom of Information Act”); and

* * * * *

SEC. 103J. FUNCTIONAL MANAGERS FOR THE INTELLIGENCE COMMUNITY.

(a) FUNCTIONAL MANAGERS AUTHORIZED.—The Director of National Intelligence may establish within the intelligence community one or more positions of manager of an intelligence function. Any position so established may be known as the “Functional Manager” of the intelligence function concerned.

(b) PERSONNEL.—The Director shall designate individuals to serve as manager of intelligence functions established under subsection (a) from among officers and employees of elements of the intelligence community.

(c) DUTIES.—Each manager of an intelligence function established under subsection (a) shall have the duties as follows:

(1) To act as principal advisor to the Director on the intelligence function.

(2) To carry out such other responsibilities with respect to the intelligence function as the Director may specify for purposes of this section.

* * * * *

SEC. 109. SOFTWARE LICENSING.

(a) *REQUIREMENT FOR INVENTORIES OF SOFTWARE LICENSES.*—The chief information officer of each element of the intelligence community, in consultation with the Chief Information Officer of the Intelligence Community, shall biennially—

(1) conduct an inventory of all existing software licenses of such element, including utilized and unutilized licenses;

(2) assess the actions that could be carried out by such element to achieve the greatest possible economies of scale and associated cost savings in software procurement and usage; and

(3) submit to the Chief Information Officer of the Intelligence Community each inventory required by paragraph (1) and each assessment required by paragraph (2).

(b) *INVENTORIES BY THE CHIEF INFORMATION OFFICER OF THE INTELLIGENCE COMMUNITY.*—The Chief Information Officer of the Intelligence Community, based on the inventories and assessments required by subsection (a), shall biennially—

(1) compile an inventory of all existing software licenses of the intelligence community, including utilized and unutilized licenses; and

(2) assess the actions that could be carried out by the intelligence community to achieve the greatest possible economies of scale and associated cost savings in software procurement and usage.

(c) *REPORTS TO CONGRESS.*—The Chief Information Officer of the Intelligence Community shall submit to the congressional intelligence committees a copy of each inventory compiled under subsection (b)(1).

* * * * *

【ADDITIONAL ANNUAL REPORTS FROM THE DIRECTOR OF NATIONAL INTELLIGENCE】 ANNUAL REPORT ON HIRING AND RETENTION OF MINORITY EMPLOYEES

SEC. 114. 【(a) ANNUAL REPORT ON HIRING AND RETENTION OF MINORITY EMPLOYEES.—】【(1)】 (a) The Director of National Intelligence shall, on an annual basis, submit to Congress a report on the employment of covered persons within each element of the intelligence community for the preceding fiscal year.

【(2)】 (b) Each such report shall include disaggregated data by category of covered person from each element of the intelligence community on the following:

【(A)】 (1) Of all individuals employed in the element during the fiscal year involved, the aggregate percentage of such individuals who are covered persons.

【(B)】 (2) Of all individuals employed in the element during the fiscal year involved at the levels referred to in 【clauses (i) and (ii)】 subparagraphs (A) and (B), the percentage of covered persons employed at such levels:

【(i)】 (A) Positions at levels 1 through 15 of the General Schedule.

【(ii)】 (B) Positions at levels above GS-15.

【(C)】 (3) Of all individuals hired by the element involved during the fiscal year involved, the percentage of such individuals who are covered persons.

[(3)] (c) Each such report shall be submitted in unclassified form, but may contain a classified annex.

[(4)] (d) Nothing in this [subsection] section shall be construed as providing for the substitution of any similar report required under another provision of law.

[(5)] (e) In this [subsection,] section the term “covered persons” means—

[(A)] (1) racial and ethnic minorities;

[(B)] (2) women; and

[(C)] (3) individuals with disabilities.

[(b) ANNUAL REPORT ON THREAT OF ATTACK ON THE UNITED STATES USING WEAPONS OF MASS DESTRUCTION.—(1) Not later each year than the date provided in section 507, the Director of National Intelligence shall submit to the congressional committees specified in paragraph (3) a report assessing the following:

[(A) The current threat of attack on the United States using ballistic missiles or cruise missiles.

[(B) The current threat of attack on the United States using a chemical, biological, or nuclear weapon delivered by a system other than a ballistic missile or cruise missile.

[(2) Each report under paragraph (1) shall be a national intelligence estimate, or have the formality of a national intelligence estimate.

[(3) The congressional committees referred to in paragraph (1) are the following:

[(A) The congressional intelligence committees.

[(B) The Committees on Foreign Relations and Armed Services of the Senate.

[(C) The Committees on International Relations and Armed Services of the House of Representatives.]

* * * * *

TITLE V—ACCOUNTABILITY FOR INTELLIGENCE ACTIVITIES

* * * * *

PRESIDENTIAL APPROVAL AND REPORTING OF COVERT ACTIONS

SEC. 503. (a) * * *

* * * * *

(h) For each type of activity undertaken as part of a covert action, the President shall establish in writing a plan to respond to the unauthorized public disclosure of that type of activity.

* * * * *

INTELLIGENCE COMMUNITY BUSINESS SYSTEM TRANSFORMATION

SEC. 506D. (a) * * *

* * * * *

(j) REPORTS.—Not later than March 31 of each of the years 2011 through [2015] 2014, the Director of National Intelligence shall submit to the congressional intelligence committees a report on the compliance of the intelligence community with the requirements of this section. Each such report shall—

(1) * * *

* * * * *

SEC. 506J. ANNUAL ASSESSMENT OF INTELLIGENCE COMMUNITY PERFORMANCE BY FUNCTION.

(a) *IN GENERAL.*—Not later than April 1, 2016, and each year thereafter, the Director of National Intelligence shall, in consultation with the Functional Managers, submit to the congressional intelligence committees a report on covered intelligence functions during the preceding year.

(b) *ELEMENTS.*—Each report under subsection (a) shall include for each covered intelligence function for the year covered by such report the following:

(1) An identification of the capabilities, programs, and activities of such intelligence function, regardless of the element of the intelligence community that carried out such capabilities, programs, and activities.

(2) A description of the investment and allocation of resources for such intelligence function, including an analysis of the allocation of resources within the context of the National Intelligence Strategy, priorities for recipients of resources, and areas of risk.

(3) A description and assessment of the performance of such intelligence function.

(4) An identification of any issues related to the application of technical interoperability standards in the capabilities, programs, and activities of such intelligence function.

(5) An identification of the operational overlap or need for deconfliction, if any, within such intelligence function.

(6) A description of any efforts to integrate such intelligence function with other intelligence disciplines as part of an integrated intelligence enterprise.

(7) A description of any efforts to establish consistency in tradecraft and training within such intelligence function.

(8) A description and assessment of developments in technology that bear on the future of such intelligence function.

(9) Such other matters relating to such intelligence function as the Director may specify for purposes of this section.

(c) *DEFINITIONS.*—In this section:

(1) The term “covered intelligence functions” means each intelligence function for which a Functional Manager has been established under section 103J during the year covered by a report under this section.

(2) The term “Functional Manager” means the manager of an intelligence function established under section 103J.

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

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

[(A)] (1) The annual report of the Inspectors General of the intelligence community on proposed resources and activities of

their offices required by section 8H(g) of the Inspector General Act of 1978.

[(B)] (2) The annual report on certifications for immunity in interdiction of aircraft engaged in illicit drug trafficking required by section 1012(c)(2) of the National Defense Authorization Act for Fiscal Year 1995 (22 U.S.C. 2291–4(c)(2)).

[(C)] (3) The annual report on activities under the David L. Boren National Security Education Act of 1991 (title VIII of Public Law 102–183; 50 U.S.C. 1901 et seq.) required by section 806(a) of that Act (50 U.S.C. 1906(a)).

[(D)] (4) The annual report on hiring and retention of minority employees in the intelligence community required by section 114(a).

[(E)] (5) The annual report on outside employment of employees of elements of the intelligence community required by section 102A(u)(2).

[(F)] (6) The annual report on financial intelligence on terrorist assets required by section 118.

[(2)] The date for the submittal to the congressional intelligence committees of the annual report on the threat of attack on the United States from weapons of mass destruction required by section 114(b) shall be the date each year provided in subsection (c)(1)(B).】

* * * * *

(c) SUBMITTAL DATES FOR REPORTS.—(1)【(A) Except】 *Except* as provided in subsection (d), each annual report listed in subsection (a)(1) shall be submitted not later than February 1.

【(B) Except as provided in subsection (d), each annual report listed in subsection (a)(2) shall be submitted not later than December 1.】

* * * * *

(d) POSTPONEMENT OF SUBMITTAL.—(1) Subject to paragraph (3), the date for the submittal of—

(A) an annual report listed in 【subsection (a)(1)】 *subsection (a)* may be postponed until March 1; *and*

【(B) an annual report listed in subsection (a)(2) may be postponed until January 1; and】

【(C)】 *(B)* a semiannual report listed in subsection (b) may be postponed until March 1 or September 1, as the case may be, if the official required to submit such report submits to the congressional intelligence committees a written notification of such postponement.

* * * * *

SEC. 509. AUDITABILITY OF CERTAIN ELEMENTS OF THE INTELLIGENCE COMMUNITY.

(a) *REQUIREMENT FOR ANNUAL AUDITS.*—*The head of each covered entity shall ensure that there is a full financial audit of such covered entity each year beginning with fiscal year 2014. Such audits may be conducted by an internal or external independent accounting or auditing organization.*

(b) *REQUIREMENT FOR UNQUALIFIED OPINION.*—*Beginning as early as practicable, but in no event later than the audit required under subsection (a) for fiscal year 2016, the head of each covered*

entity shall take all reasonable steps necessary to ensure that each audit required under subsection (a) contains an unqualified opinion on the financial statements of such covered entity for the fiscal year covered by such audit.

(c) **REPORTS TO CONGRESS.**—The chief financial officer of each covered entity shall provide to the congressional intelligence committees an annual audit report from an accounting or auditing organization on each audit of the covered entity conducted pursuant to subsection (a).

(d) **COVERED ENTITY DEFINED.**—In this section, the term “covered entity” means the Office of the Director of National Intelligence, the Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, the National Reconnaissance Office, and the National Geospatial-Intelligence Agency.

SEC. 510. ANNUAL REPORT ON VIOLATIONS OF LAW OR EXECUTIVE ORDER.

(a) **ANNUAL REPORTS REQUIRED.**—The Director of National Intelligence shall annually submit to the congressional intelligence committees a report on violations of law or executive order by personnel of an element of the intelligence community that were identified during the previous calendar year.

(b) **ELEMENTS.**—Each report required under subsection (a) shall include a description of, and any action taken in response to, any violation of law or executive order (including Executive Order 12333 (50 U.S.C. 3001 note)) by personnel of an element of the intelligence community in the course of such employment that, during the previous calendar year, was determined by the director, head, general counsel, or inspector general of any element of the intelligence community to have occurred.

* * * * *

PUBLIC INTEREST DECLASSIFICATION ACT OF 2000

* * * * *

TITLE VII—DECLASSIFICATION OF INFORMATION

* * * * *

SEC. 710. EFFECTIVE DATE; SUNSET.

(a) * * *

(b) **SUNSET.**—The provisions of this title shall expire on December 31, **[2014.] 2018.**

* * * * *

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2010

* * * * *

TITLE IV—MATTERS RELATING TO ELEMENTS OF THE INTELLIGENCE COMMUNITY

Subtitle A—Office of the Director of National Intelligence

* * * * *

SEC. 410. INAPPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT TO ADVISORY COMMITTEES OF THE OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE.

(a) * * *

[(b) ANNUAL REPORT.—

[(1) IN GENERAL.—The Director of National Intelligence and the Director of the Central Intelligence Agency shall each submit to the congressional intelligence committees an annual report on advisory committees created by each such Director. Each report shall include—

[(A) a description of each such advisory committee, including the subject matter of the committee; and

[(B) a list of members of each such advisory committee.

[(2) REPORT ON REASONS FOR ODNI EXCLUSION OF ADVISORY COMMITTEE FROM FACAs.—Each report submitted by the Director of National Intelligence in accordance with paragraph (1) shall include the reasons for a determination by the Director under section 4(b)(3) of the Federal Advisory Committee Act (5 U.S.C. App.), as added by subsection (a) of this section, that an advisory committee cannot comply with the requirements of such Act.]

(b) NOTIFICATION OF ESTABLISHMENT OF ADVISORY COMMITTEE.—The Director of National Intelligence and the Director of the Central Intelligence Agency shall each notify the congressional intelligence committees each time each such Director creates an advisory committee. Each notification shall include—

(1) a description of such advisory committee, including the subject matter of such committee;

(2) a list of members of such advisory committee; and

(3) in the case of an advisory committee created by the Director of National Intelligence, the reasons for a determination by the Director under section 4(b)(3) of the Federal Advisory Committee Act (5 U.S.C. App.) that an advisory committee cannot comply with the requirements of such Act.

* * * * *

INTELLIGENCE REFORM AND TERRORISM PREVENTION ACT OF 2004

* * * * *

TITLE I—REFORM OF THE INTELLIGENCE COMMUNITY

* * * * *

Subtitle F—Privacy and Civil Liberties

* * * * *

SEC. 1062. PRIVACY AND CIVIL LIBERTIES OFFICERS.

(a) * * *

* * * * *

(f) PERIODIC REPORTS.—

(1) IN GENERAL.—The privacy officers and civil liberties officers of each department, agency, or element referred to or described in subsection (a) or (b) shall periodically, but not less than **[quarterly]** *semiannually*, submit a report on the activities of such officers—

(A) * * *

* * * * *

CENTRAL INTELLIGENCE AGENCY ACT OF 1949

* * * * *

[AUTHORITY TO ACCEPT GIFTS, DEVISES, AND BEQUESTS] GIFTS, DEVISES, AND BEQUESTS

SEC. 12. (a)(1) * * *

(2) Any gift accepted *by the Director as a gift to the Agency* under **[this section]** *this subsection* (and any income produced by any such gift)—

(A) * * *

* * * * *

(b) Unless otherwise restricted by the terms of the gift, the Director may sell or exchange, or invest or reinvest, any property which is accepted under **[this section,]** *subsection (a)*, but any such investment may only be in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

(c) There is hereby created on the books of the Treasury of the United States a fund into which gifts of money, securities, and other intangible property accepted under the authority of **[this section,]** *subsection (a)*, and the earnings and proceeds thereof, shall be deposited. The assets of such fund shall be disbursed upon the order of the Director for the purposes specified in subsection (a) or (b).

(d) For purposes of Federal income, estate, and gift taxes, gifts accepted by the Director under **[this section]** *subsection (a)* shall be considered to be to or for the use of the United States.

* * * * *

(f)(1) *The Director may engage in fundraising in an official capacity for the benefit of nonprofit organizations that provide support to surviving family members of deceased Agency employees or that otherwise provide support for the welfare, education, or recreation of Agency employees, former Agency employees, or their family members.*

(2) *In this subsection, the term “fundraising” means the raising of funds through the active participation in the promotion, production, or presentation of an event designed to raise funds and does not include the direct solicitation of money by any other means.*

[(f)] (g) The Director, in consultation with the Director of the Office of Government Ethics, shall issue regulations to carry out the authority provided in this section. Such regulations shall ensure that such authority is exercised consistent with all relevant ethical constraints and principles, including—

- (1) * * *
- * * * * *

CENTRAL SERVICES PROGRAM

SEC. 21. (a) * * *

(b) PARTICIPATION OF AGENCY ELEMENTS.—(1) In order to carry out the program, the Director shall—

- (A) * * *
- * * * * *

(D) authorize such providers to make known their services to the entities specified in [section (a)] subsection (a) through Government communication channels.

- * * * * *

(c) CENTRAL SERVICES WORKING CAPITAL FUND.—(1) * * *

(2) There shall be deposited in the Fund the following:

- (A) * * *
- * * * * *

(E) Other receipts from the sale or exchange of equipment, recyclable materials, or property of a central service [provider.] provider as a result of activities under the program.

- * * * * *

INSPECTOR GENERAL ACT OF 1978

- * * * * *

REQUIREMENTS FOR FEDERAL ENTITIES AND DESIGNATED FEDERAL ENTITIES

SEC. 8G. (a) Notwithstanding section 12 of this Act, as used in this section—

- (1) * * *

(2) the term “designated Federal entity” means Amtrak, the Appalachian Regional Commission, the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection, the Board for International Broadcasting, the Commodity Futures Trading Commission, the Consumer

Product Safety Commission, the Corporation for Public Broadcasting, the Defense Intelligence Agency, the Equal Employment Opportunity Commission, the Farm Credit Administration, the Federal Communications Commission, the Federal Deposit Insurance Corporation, the Federal Election Commission, the Election Assistance Commission, the Federal Housing Finance Board, the Federal Labor Relations Authority, the Federal Maritime Commission, the Federal Trade Commission, the Legal Services Corporation, the National Archives and Records Administration, the National Credit Union Administration, the National Endowment for the Arts, the National Endowment for the Humanities, the National Geospatial-Intelligence Agency, the National Labor Relations Board, the National Reconnaissance Office, [the National Security Agency,] the National Science Foundation, the Panama Canal Commission, the Peace Corps, the Pension Benefit Guaranty Corporation, the Securities and Exchange Commission, the Smithsonian Institution, the United States International Trade Commission, the Postal Regulatory Commission, and the United States Postal Service;

* * * * *

SEC. 8K. SPECIAL PROVISIONS CONCERNING THE NATIONAL SECURITY AGENCY.

(a) **GENERAL COUNSEL TO THE INSPECTOR GENERAL.**—

(1) **IN GENERAL.**—*There is a General Counsel to the Inspector General of the National Security Agency, who shall be appointed by the Inspector General of the National Security Agency.*

(2) **DUTIES.**—*The General Counsel to the Inspector General of the National Security Agency shall—*

(A) *serve as the chief legal officer of the Office of the Inspector General of the National Security Agency;*

(B) *provide legal services only to the Inspector General of the National Security Agency;*

(C) *prescribe professional rules of ethics and responsibilities for employees and officers of, and contractors to, the National Security Agency;*

(D) *perform such functions as the Inspector General may prescribe; and*

(E) *serve at the discretion of the Inspector General.*

(3) **OFFICE OF THE GENERAL COUNSEL.**—*There is an Office of the General Counsel to the Inspector General of the National Security Agency. The Inspector General may appoint to the Office to serve as staff of the General Counsel such legal counsel as the Inspector General considers appropriate.*

(b) **TESTIMONY.**—

(1) **AUTHORITY TO COMPEL.**—*The Inspector General of the National Security Agency is authorized to require by subpoena the attendance and testimony of former employees of the National Security Agency or contractors, former contractors, or former detailees to the National Security Agency as necessary in the performance of functions assigned to the Inspector General by this Act.*

(2) *REFUSAL TO OBEY.*—A subpoena issued under this subsection, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court.

(3) *NOTIFICATION.*—The Inspector General shall notify the Attorney General 7 days before issuing any subpoena under this section.

(c) *PROHIBITIONS ON INVESTIGATIONS FOR NATIONAL SECURITY REASONS.*—

(1) *EVALUATIONS OF PROHIBITIONS.*—Not later than 7 days after the date on which the Inspector General of the National Security Agency receives notice or a statement under section 8G(d)(2)(C) of the reasons the Secretary of Defense is prohibiting the Inspector General from initiating, carrying out, or completing any audit or investigation, the Inspector General shall submit to the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives and the Select Committee on Intelligence and the Committee on Armed Services of the Senate an evaluation of such notice or such statement.

(2) *INCLUSION IN SEMI-ANNUAL REPORT.*—The Inspector General shall include in the semiannual report prepared by the Inspector General in accordance with section 5(a) a description of the instances in which the Secretary of Defense prohibited the Inspector General from initiating, carrying out, or completing any audit or investigation during the period covered by such report.

* * * * *

DEFINITIONS

SEC. 12. As used in this Act—

(1) the term “head of the establishment” means the Secretary of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Housing and Urban Development, the Interior, Labor, State, Transportation, Homeland Security, or the Treasury; the Attorney General; the Administrator of the Agency for International Development, Environmental Protection, General Services, National Aeronautics and Space, or Small Business, or Veterans’ Affairs; the Director of the Federal Emergency Management Agency, the *National Security Agency*, or the Office of Personnel Management; the Chairman of the Nuclear Regulatory Commission or the Railroad Retirement Board; the Chairperson of the Thrift Depositor Protection Oversight Board; the Chief Executive Officer of the Corporation for National and Community Service; the Administrator of the Community Development Financial Institutions Fund; the chief executive officer of the Resolution Trust Corporation; the Chairperson of the Federal Deposit Insurance Corporation; the Commissioner of Social Security, Social Security Administration; the Director of the Federal Housing Finance Agency; the Board of Directors of the Tennessee Valley Authority; the President of the Export-Import Bank; or the Federal Cochairpersons of the Commissions established under

section 15301 of title 40, United States Code; as the case may be;

(2) the term “establishment” means the Department of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Housing and Urban Development, the Interior, Justice, Labor, State, Transportation, Homeland Security, or the Treasury; the Agency for International Development, the Community Development Financial Institutions Fund, the Environmental Protection Agency, the Federal Emergency Management Agency, the General Services Administration, the National Aeronautics and Space Administration, *the National Security Agency*, the Nuclear Regulatory Commission, the Office of Personnel Management, the Railroad Retirement Board, the Resolution Trust Corporation, the Federal Deposit Insurance Corporation, the Small Business Administration, the Corporation for National and Community Service, or the Veterans’ Administration, the Social Security Administration, the Federal Housing Finance Agency, the Tennessee Valley Authority, the Export-Import Bank, or the Commissions established under section 15301 of title 40, United States Code, as the case may be;

* * * * *

**INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR
2013**

* * * * *

TITLE V—OTHER MATTERS

* * * * *

SEC. 506. TECHNICAL AMENDMENT FOR DEFINITION OF INTELLIGENCE AGENCY.

[Section 606(5)] *Paragraph (5) of section 605 of the National Security Act of 1947 (50 U.S.C. 426), as redesignated by section 310(a)(4)(B) of this Act, is amended to read as follows:*

“(5) * * *

* * * * *

DISCLOSURE OF DIRECTED RULE MAKING

H.R. 4681 does not specifically direct any rule makings within the meaning of 5 U.S.C. 551.

DUPLICATION OF FEDERAL PROGRAMS

H.R. 4681 does not duplicate or reauthorize an established program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

JEFF MILLER
1st DISTRICT, FLORIDA
COMMITTEE ON VETERANS' AFFAIRS
CHAIRMAN
COMMITTEE ON ARMED SERVICES
SELECT COMMITTEE ON INTELLIGENCE

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Statement for the Record

HON. JEFF MILLER of Florida
IN THE HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE

May 22, 2014

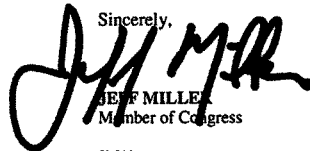
Mr. Chairman,

On May 22, 2014, I missed the House Permanent Select Committee on Intelligence Mark-up of H.R. 4681, the "Intelligence Authorization Act for Fiscal Years 2014 and 2015" due to conducting official business in my capacity as Chairman of the House Veterans Affairs' Committee.

The time of the Mark-up of H.R. 4681 conflicted with a previously scheduled business meeting due to VA's lack of compliance of a subpoena issued by the House Committee on Veterans' Affairs regarding the health care scandal at the VA, which has resulted in the death of at least 23 veterans by the Department's own count. Immediate action was warranted, as allegations of secret wait lists and manipulation of appointment wait times continue to surface at VA medical centers across the country.

If present at the Mark-up, I would have voted to approve the three amendments that were adopted and would have voted in favor of reporting H.R. 4681, as amended, out of committee.

I would like to respectfully request a copy of this statement be included in the Committee's report on H.R. 4681. Thank you for your leadership and your consideration of this request.

Sincerely,

JEFF MILLER
Member of Congress

JM/dc

MINORITY VIEWS

The Intelligence Committee advanced the bipartisan Intelligence Authorization Act for Fiscal Years 2014 and 2015 by voice vote.

The annual Intelligence Authorization Act is among the most important bills the House passes each year. It provides U.S. intelligence professionals with the resources, capabilities and authorities they need to protect the nation, while ensuring that the Intelligence Committee can continue to conduct rigorous oversight of even the most sensitive programs on behalf of the American people.

The Intelligence Authorization Act for Fiscal Years 2014 and 2015 is a prudent and fiscally responsible bill. The Fiscal Year 2014 schedule of authorizations, which the Committee approved in November 2013, was included in this bill, as was the Fiscal Year 2015 schedule. The latter provides for overall funding at about 1% above the President's budget request, but it makes cuts to some less productive programs, adds money to other critically important programs, and ultimately acknowledges the need to right the ship after sequestration.

Furthermore, the Intelligence Authorization Act:

- a. Continues to emphasize the value of persistence in overhead architecture;
- b. Scales back the Intelligence Community's use of core contractors;
- c. Pushes for further improvements in the continuous evaluation of insider threats, and for the expansion of insider threat programs government wide;
- d. Provides forward-looking funding for Navy airborne Intelligence, Surveillance and Reconnaissance to maintain military intelligence capabilities during the transition from older to newer, more capable aircraft; and
- e. Invests in both the recruitment and retention of the best and brightest for our cyber workforce, particularly in the FBI.

One of the bill's weaknesses is that it does not do enough to enhance analysis of the national security implications of climate change, which the Intelligence Community refers to as environmental indications and warning. Whether by driving competition for scarce resources, by opening the Arctic, or by increasing sea level and storm surge near our naval installations, climate change will have profound, destabilizing effects which need to be understood, anticipated, and accounted for. There may be disagreement about the causes of climate change, but the national security consequences are so significant that they cannot be ignored.

The Intelligence Committee again succeeded in operating in a bipartisan manner, which was evident through this legislation. Minority Members offered important amendments that were incorporated into the Chairman's mark, including:

a. Mr. Thompson's amendment to require an intelligence assessment on the security of domestic oil refineries and their related rail networks;

b. Mr. Himes' amendment to establish an independent Inspector General for the National Security Agency and his amendment to require an annual report of all violations of law or Executive Order determined to have occurred within the Intelligence Community; and

c. Mr. Thompson's amendment within the Annex to direct the Director of National Intelligence to provide an assessment of the status of threat information sharing with diplomatic security personnel.

Ms. Sewell was also influential in the inclusion within the Annex of the Chairman's mark of a provision to improve and standardize certain aspects of the security clearance process. Additionally, the Annex to the Chairman's mark included a provision at the behest of Mr. Langevin to require an assessment of the effects and costs of the leaks caused by a former NSA contractor. The Chairman also agreed to work with Mr. Langevin to conduct a study of the effectiveness of the reforms created ten years ago by the Intelligence Reform and Terrorism Prevention Act of 2004.

Ms. Schakowsky introduced an amendment that would have banned the practice of so-called signature strikes; but it did not pass. While Ms. Schakowsky approved of most of the Act, she voted against it primarily because of her opposition to these so-called signature strikes.

This Act contains no reforms to the Foreign Intelligence Surveillance Act because the Committee worked closely with the Judiciary Committee and the Administration to craft the USA FREEDOM Act, which passed the House the same day as the Intelligence Authorization Act's mark up.

C. A. DUTCH RUPPERSBERGER.
 JANICE D. SCHAKOWSKY.
 ADAM B. SCHIFF.
 ED PASTOR.
 TERRI A. SEWELL.
 MIKE THOMPSON.
 JAMES R. LANGEVIN.
 LUIS V. GUTIÉRREZ.
 JAMES A. HIMES.