ANNUAL REPORT ON THE ACTIVITY
OF THE
HOUSE PERMANENT SELECT COMMITTEE
ON INTELLIGENCE
FOR THE
ONE HUNDRED AND THIRTEENTH CONGRESS

DECEMBER 29, 2014.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
PERMANENT SELECT COMMITTEE ON INTELLIGENCE,

Hon. KAREN HAAS,
Clerk, U.S. House of Representatives,
Washington, DC.

Dear Mrs. Haas: Pursuant to clause 1(d) of rule XI of the Rules of the House of Representatives for the 113th Congress, I present herewith a report entitled “Annual Report on the Activity of the Permanent Select Committee on Intelligence, 113th Congress.”

Sincerely,

MIKE ROGERS,
Chairman.
## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter of Transmittal</td>
<td>III</td>
</tr>
<tr>
<td>Membership</td>
<td>1</td>
</tr>
<tr>
<td>Jurisdiction</td>
<td>2</td>
</tr>
<tr>
<td>Legislative and Oversight Activities</td>
<td>2</td>
</tr>
<tr>
<td>Oversight Plan for the 113th Congress and Implementation and Hearings</td>
<td>6</td>
</tr>
<tr>
<td>Held Pursuant to Clause 2(n), (o), and (p) of House Rule XI</td>
<td></td>
</tr>
<tr>
<td>Appendix I—Part A: Committee Reports; Part B: Public Laws; Part C: Com-</td>
<td></td>
</tr>
<tr>
<td>mittee Hearings &amp; Briefings</td>
<td>8</td>
</tr>
</tbody>
</table>
Union Calendar No. 548

113TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT

ANNUAL REPORT ON THE ACTIVITY OF THE PERMANENT SELECT COMMITTEE ON INTELLIGENCE FOR THE ONE HUNDRED AND THIRTEENTH CONGRESS

DECEMBER 29, 2014.—Committed to the Committee of the Whole House and ordered to be printed

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

REPORT

PERMANENT SELECT COMMITTEE ON INTELLIGENCE

FULL COMMITTEE LIST

MIKE ROGERS, Michigan, Chairman
MAC THORNBERY, Texas
JEFF MILLER, Florida
K. MICHAEL CONAWAY, Texas
PETER T. KING, New York
FRANK A. LOBIONDO, New Jersey
DEVIN NUNES, California
LYNN A. WESTMORELAND, Georgia
MICHÈLE BACHMANN, Minnesota
THOMAS J. ROONEY, Florida
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C.A. DUTCH RUPPERSBERGER, Maryland, Ranking Member
MIKE THOMPSON, California
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ADAM B. SCHIFF, California
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ED PASTOR, Arizona
JAMES A. HIMES, Connecticut
TERREI A. SEWELL, Alabama

DARREN M. DICK, Staff Director

SUBCOMMITTEE LIST

SUBCOMMITTEE ON TERRORISM, HUMAN INTELLIGENCE, ANALYSIS, AND COUNTERINTELLIGENCE

K. MICHAEL CONAWAY, Texas, Chairman
PETER T. KING, New York
FRANK A. LOBIONDO, New Jersey
DEVIN NUNES, California
THOMAS J. ROONEY, Florida
MIKE THOMPSON, California, Ranking Member
LUIS V. GUTIERREZ, Illinois
JAMES A. HIMES, Connecticut
Clause 11(b)(1) of rule X of the Rules of the House of Representatives for the 113th Congress sets forth the jurisdiction of the Permanent Select Committee on Intelligence—

(A) The Central Intelligence Agency, the Director of National Intelligence, and the National Intelligence Program as defined in section 3(6) of the National Security Act of 1947.

(B) Intelligence and intelligence-related activities of all other departments and agencies of the Government, including the tactical intelligence and intelligence-related activities of the Department of Defense.

(C) The organization or reorganization of a department or agency of the Government to the extent that the organization or reorganization relates to a function or activity involving intelligence or intelligence-related activities.

(D) Authorizations for appropriations, both direct and indirect, for the following:

(i) The Central Intelligence Agency, the Director of National Intelligence, and the National Intelligence Program as defined in section 3(6) of the National Security Act of 1947.

(ii) Intelligence and intelligence-related activities of all other departments and agencies of the Government, including the tactical intelligence and intelligence-related activities of the Department of Defense.

(iii) A department, agency, subdivision, or program that is a successor to an agency or program named or referred to in (i) or (ii).

Clause 3(m) of rule X of the Rules of the House of Representatives for the 113th Congress sets forth the Special Oversight Function of the Permanent Select Committee on Intelligence as follows—“The Permanent Select Committee on Intelligence shall review and study on a continuing basis laws, programs, and activities of the intelligence community and shall review and study on an exclusive basis the sources and methods of entities described in clause 11(b)(1)(A).”

LEGISLATIVE AND OVERSIGHT ACTIVITIES

During the second session of the 113th Congress, 25 bills or resolutions were referred to the Permanent Select Committee on Intel-
ligence. The Full Committee reported two measures to the House, not including conference reports. Three measures regarding matters within the Committee’s jurisdiction were enacted into law.

Three measures referred to the Committee during the 113th Congress contained provisions that were later enacted into law during the second session of the 113th Congress through S. 1681, the Intelligence Authorization Act for Fiscal Year 2014, and H.R. 4681, the Intelligence Authorization Act for Fiscal Year 2015. Those measures were: H.R. 4533, the NSA Internal Watchdog Act, introduced by Mr. Jim Cooper; H.R. 3779, To Require the Director of National Intelligence To Annually Submit Reports on Violations of Law or Executive Order by Personnel of the Intelligence Community, introduced by Mr. James Himes; and H.R. 3436, To Require the Director of the National Security Agency and the Inspector General of the National Security Agency To Be Appointed by the President, By and With the Advice and Consent of the Senate, introduced by Mr. Mark Sanford.

Additionally, one measure referred to the Committee during the 113th Congress contained provisions that were incorporated into H.R. 3361, the USA FREEDOM Act, which the Committee favorably reported to the House and the House passed. That measure was H.R. 3103, the Intelligence Oversight and Accountability Act of 2013, introduced by Mr. Mike Thompson.

The following is a summary of the legislative and oversight activities of the Permanent Select Committee on Intelligence during the second session of the 113th Congress. In addition, this report includes a summary of hearings held pursuant to clauses 2(n), (o), and (p) under House rule XI.

LEGISLATIVE ACTIVITIES
FULL COMMITTEE
USA FREEDOM ACT
(H.R. 3361)

Summary

H.R. 3361 would modernize the Foreign Intelligence Surveillance Act of 1978 (FISA) and other national security authorities to address public misperceptions of intelligence activities.

Until last year, the existence of a program to collect bulk telephone call detail records, also known as telephone metadata, under Section 215 of the USA PATRIOT Act was highly classified. The classified nature of the program stemmed from the simple fact that if our adversaries knew of the program and its capabilities, they would change their communications patterns so as to evade surveillance. The Committee has been aware of the bulk telephone metadata program since its inception and reauthorized Section 215 multiple times because the program was a lawful and effective counterterrorism tool. If the program had been in place in 2001, the U.S. government potentially could have connected phone calls from an al Qaeda safe house in Yemen to Khalid al-Mihdhar, one
of the September 11th hijackers inside the U.S. In the words of former FBI director Robert Mueller, finding Mihdhar “could have derailed the plan” and prevented the attacks. Since 2001, the program has helped prevent imminent attacks and quickly discover terrorist networks—or, equally as critical, confirm their absence inside the U.S. We are all safer because the bulk telephone metadata program gives the government the ability to identify and track terrorist threats with speed and agility.

Not only is the bulk telephone metadata program effective, it is legal. Two presidential administrations of different parties and seventeen federal judges shared the Committee’s view of the program’s legality. The Committee’s oversight has continuously revealed a strong culture of compliance and lawfulness among the men and women of the National Security Agency (NSA).

However, following the unprecedented unauthorized disclosures of classified information, the Director of National Intelligence declassified many aspects of the bulk telephone metadata program. The unauthorized disclosure of this program and others caused incalculable damage to U.S. national security, much of which may not become apparent for years. Even so, the disclosures have caused public concern about the program, notwithstanding the care demonstrated by the NSA to abide by the law and to protect the constitutional rights of U.S. persons. This public concern led the Committee to consider ways to end the bulk collection of telephone metadata and enhance privacy and civil liberties while preserving as much of the operational effectiveness and flexibility of the program as possible.

The Committee’s decision to end the bulk collection of telephone metadata does not extend to any other intelligence programs currently conducted under FISA, including access to business records through Section 215 for foreign intelligence, counterterrorism, and counterintelligence purposes, and the targeting of persons outside the United States under Section 702. The Committee remains of the view that these other forms of collection are effective, lawful, and subject to vigorous oversight and review by the Intelligence Community, the Department of Justice, Congress, and the courts.

Legislative History

H.R. 3361 was introduced by Mr. James Sensenbrenner on October 29, 2013, and was referred to the Permanent Select Committee on Intelligence and the Committee on the Judiciary.

On May 7, 2014, the Committee on the Judiciary held a business meeting to consider H.R. 3361 and ordered the bill reported to the House, as amended, by a recorded vote of 32 ayes and zero noes.

On May 8, 2014, the Permanent Select Committee on Intelligence held a business meeting to consider H.R. 3361 and ordered the bill reported to the House, as amended, by a voice vote.

On May 15, 2014, the Committee on the Judiciary reported H.R. 3361 to the House.
Although some definitions of the Intelligence Community count the number of agencies in the Community differently, Section 101 of H.R. 681 lists sixteen, grouping the Department of the Army, the Department of the Navy, and the Department of the Air Force together as one.

On May 15, 2014, the Permanent Select Committee on Intelligence reported H.R. 3361 to the House.

On May 22, 2014, the House considered H.R. 3361, as amended, and passed the bill by a recorded vote, 303 ayes and 121 noes.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2015
(H.R. 4681)

Summary

The annual intelligence authorization bill funds all U.S. intelligence activities, spanning sixteen 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 research and technology to maintain the country’s technological edge, including work on code breaking, listening devices, and reconnaissance satellites.

The Fiscal Year 2015 authorization bill is a critical tool for oversight of the Intelligence Community. For too many years, intelligence authorization negotiations were the victim of partisan infighting and turf battles. Over the past four years, however, Congress broke out of that logjam by passing four intelligence authorization bills. The Fiscal Year 2015 authorization bill follows in that path to provide the Intelligence Community the resources and authorities it needs to accomplish its demanding mission of securing and defending America, its allies, and its partners.

In May 2014, the House passed H.R. 4681, which provided authorization for both Fiscal Year 2014 and Fiscal Year 2015. The Senate voted on each year’s funding separately. In July, the Senate passed S. 1681, a Fiscal Year 2014 bill, the House concurred, and the bill—which included many of the provisions of H.R. 4681—became law. The Senate later amended H.R. 4681 to cover only Fiscal Year 2015 and added several other legislative provisions. The House concurred in that amendment in December 2014, and the bill became law.

Legislative History

H.R. 4681 was introduced by Chairman Mike Rogers on May 20, 2014, and referred to the Permanent Select Committee on Intelligence.

On May 22, 2014, the Permanent Select Committee on Intelligence held a business meeting to consider H.R. 4681 and ordered the bill reported to the House, as amended, by a voice vote.

On May 22, 2014, Chairman Mike Rogers made an announcement on the floor of the House inviting all members to read the classified schedule of authorizations to H.R. 4681 and the classified

3Although some definitions of the Intelligence Community count the number of agencies in the Community differently, Section 101 of H.R. 681 lists sixteen, grouping the Department of the Army, the Department of the Navy, and the Department of the Air Force together as one.
annex that accompanies H. Rept. 113–463 in the offices of the Permanent Select Committee on Intelligence. 4

On May 27, 2014, the Permanent Select Committee reported H.R. 4681 to the House.

On May 30, 2014, the House considered H.R. 4681, as amended, and passed the bill by a recorded vote, 345 ayes and 59 noes.

On December 9, 2014, the Senate considered H.R. 4681, as amended, and passed the bill by a voice vote.

On December 10, 2014, the House considered H.R. 4681, as amended, and concurred in the amendments by a recorded vote, 325 ayes and 100 noes.

OVERSIGHT PLAN FOR THE 113TH CONGRESS

 Clause 1(d)(2)(E) of rule XI also requires that each committee provide a delineation of any hearings held pursuant to clauses 2(n), (o), or (p) of rule XI. Those clauses require the committee, or a subcommittee thereof, to hold at least one hearing on egregious instances of agency waste, fraud, abuse, and mismanagement, at least one hearing on agency financial statements, and one hearing on programs that, according to reports issued by the Comptroller General of the United States, are at high risk for waste, fraud, and mismanagement.

As part of the Committee’s oversight and authorization of the intelligence community budget, the Committee conducts numerous classified hearings and briefings that focus on issues of potential waste, fraud, abuse, and mismanagement in federal agencies. These Committee efforts result in the annual intelligence authorization bill. That bill is accompanied by a detailed classified annex on all Intelligence Community programs and budgets. A review of potential waste, fraud, abuse, and mismanagement within these programs is an inextricable part of the development of the classified annex.

In addition to the classified annex, the Committee also conducted a number of unclassified oversight activities this year.

On November 21, 2014, the Committee issued its unclassified bipartisan investigative report on the activities of the Intelligence Community before, during, and after the September 11, 2012, attacks in Benghazi, Libya, that caused the deaths of four brave Americans. During its two-year-long investigation, the Committee held nineteen full committee hearings and briefings with Central Intelligence Agency (CIA) Director Petraeus, CIA Director Brennan, National Counterterrorism Center Director Olsen, and CIA Deputy Director Morrell and 114 oversight activities. In those oversight events, the Committee and its staff inquired into the intelligence warnings and intelligence activities in eastern Libya prior to the attacks, the events on the ground during the attacks, the fallout after the attacks, and the Government’s continued efforts to find the attackers. The Committee interviewed ten eyewitnesses who were in Libya during the attacks and submitted document requests and questions for the record to the CIA to understand fully the activities of the Intelligence Community before, during, and after the attacks. Further, the Committee sought all available information to determine whether any pressure or threats of retaliations...
tion were made against intelligence professionals to persuade them against speaking to Congress. Finally, the Committee reviewed thousands of pages of documents, including emails from the night of attack, and hundreds of intelligence assessments.

Another bipartisan Committee review focused on the U.S. government’s purchase of intelligence satellites. The Committee unanimously approved the report, entitled “Performance Audit of Intelligence Major Systems Acquisition.” Although most of the report remains classified, an unclassified portion of the report revealed that one of the greatest potentials for government savings arises from proposed changes to the production pace of intelligence satellites. Currently the Intelligence Community buys satellites faster than necessary to meet mission needs due to concerns about ensuring the stability of the satellite production market. The report concluded that those concerns are not fully justified and result in the excess purchase of satellites at taxpayer expense.

This year, the Subcommittee on Technical and Tactical Intelligence also completed its bipartisan review of the National Reconnaissance Office Inspector General special report on mismanagement in that agency’s Ground Enterprise Directorate. The review corroborated the Inspector General’s main finding that Ground Enterprise Directorate leadership created an unreceptive environment for technical dissent, which exacerbated problems with two key programs. In May 2014, the full Committee adopted the Subcommittee’s report and voted to share the report’s findings and recommendations with the Intelligence Community.

NSA programs continued to be an area of the full Committee’s focus this year. The Committee reviews NSA programs on a continuing basis to ensure that NSA provides effective signals intelligence support against foreign intelligence targets, all while respecting Americans’ privacy and civil liberties. In 2014, Committee Members participated in 29 formal and informal NSA oversight events, and Committee staff participated in an additional 127 oversight events.

In August 2014, the Committee began a review of unauthorized disclosures by a former NSA contractor. This review aims to create a formal record of how a lone contractor managed to carry out what Director of National Intelligence James Clapper described as “the most massive and most damaging theft of intelligence information in our history,” as well as how the Intelligence Community has responded to the former contractor’s thefts, and what reforms can prevent future thefts of similar magnitude.

Finally, in 2014, the Committee began a study on the security of the planned common information technology platform for the Intelligence Community, the Intelligence Community Information Technology Enterprise (IC ITE). IC ITE aims to move the Intelligence Community away from stovepiped computer systems toward a unified and coherent model that enables greater sharing, greater efficiency, and improved security. The Committee’s ongoing study will assess whether IC ITE provides better safeguards against insider activity than existing systems, whether it can withstand sophisticated external attacks, and whether it is consistent with industry-standard best practices.
APPENDIX I

PART A—COMMITTEE REPORTS

Reports filed with the House by the Permanent Select Committee on Intelligence:
113–452, Part II: To Accompany H.R. 3361, the USA FREEDOM Act.

PART B—PUBLIC LAWS

Three bills that contained matters within the jurisdiction of the Permanent Select Committee on Intelligence were enacted into law during the second session of the 113th Congress.

PART C—COMMITTEE HEARINGS AND BRIEFINGS

On January 7, 2014, the Full Committee held a closed briefing.
On January 13, 2014, the Full Committee held a closed briefing.
On January 14, 2014, the Full Committee held an open and closed business meeting.
On January 15, 2014, the Full Committee held a closed briefing.
On January 16, 2014, the Full Committee held a closed hearing.
On January 27, 2014, the Full Committee held a closed briefing.
On January 28, 2014, the Full Committee held a closed briefing.
On February 3, 2014, the Full Committee held a closed hearing.
On February 4, 2014, the Full Committee held an open hearing, “Worldwide Threats.”
On February 5, 2014, the Subcommittee on Technical and Tactical Intelligence held a closed briefing.
On February 6, 2014, the Full Committee held an open and closed business meeting.
On February 10, 2014, the Full Committee held an open and closed business meeting.
On February 25, 2014, the Full Committee held a closed briefing.
On March 3, 2014, the Full Committee held a closed hearing.
On March 5, 2014, the Subcommittee on Technical and Tactical Intelligence held a closed briefing jointly with the Subcommittee on Strategic Forces of the Armed Services Committee and the Committee on Foreign Affairs.
On March 6, 2014, the Full Committee held a closed briefing and a closed business meeting.
On March 13, 2014, the Full Committee held a closed hearing and an open and closed business meeting.
On March 24, 2014, the Full Committee held a closed hearing.
On March 25, 2014, the Subcommittee on Technical and Tactical Intelligence held a closed briefing.
On March 27, 2014, the Full Committee held a closed hearing.
On April 1, 2014, the Full Committee held a closed hearing, and the Oversight and Investigations Subcommittee held a closed briefing.

On April 2, 2014, the Full Committee held an open hearing, “The Benghazi Talking Points and Michael J. Morrell’s Role in Shaping the Administration Narrative.”

On April 3, 2014, the Full Committee held a closed hearing.

On April 10, 2014, the Full Committee held a closed hearing and an open and closed business meeting, and the Subcommittee on Technical and Tactical Intelligence held a closed briefing.

On April 28, 2014, the Full Committee held a closed briefing.

On May 1, 2014, the Full Committee held a closed hearing.

On May 6, 2014, the Full Committee held a closed briefing.

On May 8, 2014, the Full Committee held an open and closed business meeting.

On May 19, 2014, the Full Committee held a closed briefing.

On May 20, 2014, the Subcommittee on Technical and Tactical Intelligence held a closed briefing.

On May 22, 2014, the Full Committee held an open and closed business meeting.

On May 28, 2014, the Full Committee held a closed briefing.

On May 29, 2014, the Full Committee held a closed hearing and an open and closed business meeting.

On June 10, 2014, the Full Committee held a closed briefing, and the Subcommittee on Technical and Tactical Intelligence held a closed briefing.

On June 12, 2014, the Full Committee held a closed hearing.

On June 17, 2014, the Full Committee held a closed briefing.

On June 18, 2014, the Full Committee held two closed briefings.

On June 19, 2014, the Full Committee held a closed briefing.

On June 23, 2014, the Full Committee held two closed briefings.

On June 24, 2014, the Full Committee held two closed briefings.

On June 25, 2014, the Full Committee held two closed briefings.

On June 26, 2014, the Full Committee held two closed briefings.

On July 9, 2014, the Full Committee held a closed briefing.

On July 10, 2014, the Full Committee held a closed hearing.

On July 14, 2014, the Full Committee held a closed briefing.

On July 16, 2014, the Full Committee held two closed briefings.

On July 17, 2014, the Full Committee held a closed hearing.

On July 22, 2014, the Full Committee held a closed briefing.

On July 24, 2014, the Full Committee held two closed briefings and an open and closed business meeting.

On July 28, 2014, the Full Committee held a closed briefing.

On July 31, 2014, the Full Committee held an open business meeting.

On September 8, 2014, the Full Committee held a closed hearing.

On September 16, 2014, the Full Committee held a closed briefing.

On September 18, 2014, the Full Committee held an open hearing, “The Threat Posed by the Islamic State of Iraq and the Levant (ISIL), al-Qa’ida, and Other Islamic Extremists.”

On November 12, 2014, the Full Committee held a closed briefing.
On November 13, 2014, the Full Committee held an open hearing, “The Risk of Nation-State Conflict: China, Russia, North Korea, and Iran.”

On November 20, 2014, the Full Committee held an open hearing, “Cybersecurity Threats: The Way Forward.”

On December 1, 2014, the Full Committee held a closed hearing and an open and closed business meeting.

On December 4, 2014, the Full Committee held a closed briefing.