

that period of time we will ask that we build the new PM monitors that will measure the air across this Nation.

Right now for this particulate matter there are only 50 monitors that exist across the whole country. Let U.S. Build enough monitors that we can get the scientific data and that we can then analyze it.

The reason the EPA is moving in this direction is that they were sued by the American Lung Association that said every 5 years under the act you are supposed to go back and take a look at this. Does not mean you have to change the standards, does not mean you have to tighten the standards, but every 5 years you have to go back and review the standards, and they said, EPA, you have not done this since 1987, and now we are in 1997, so it has been 10 years. And what we are saying is that until you build those new monitors, until you deploy those monitors across this Nation, gather the data, another 5 years will pass.

Why do we want to spend billions of dollars changing the target of clean air in the middle of this race to achieve it? It makes no sense at all.

And so, Mr. Speaker, I would request that our colleagues join me and say for 5 years let U.S. Not implement the new regulations, let U.S. Get good science, let U.S. Study the issue, let U.S. Deploy these monitors, and then after 5 years we will take a look at this issue again and the health and the air of this Nation will be much better for it.

#### REPORT ON THE ACTIVITIES OF THE PERMANENT SELECT COMMITTEE ON INTELLIGENCE DURING THE 104TH CONGRESS

THE SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

MR. GOSS. Mr. Speaker, I am pleased to transmit herewith, pursuant to clause 1(d) of rule XI of the Rules of the House of Representatives, a report on the activities of the Permanent Select Committee on Intelligence during the 104th Congress.

#### REPORT

This report covers the activities of the House Permanent Select Committee on Intelligence during the One Hundred Fourth Congress. Larry Combest (Republican, Texas) served as Chairman; Norman D. Dicks (Democrat, Washington) served as Ranking Democratic Member.

In carrying out its mandate from the House regarding oversight of U.S. intelligence and intelligence-related activities, the Committee created two subcommittees:

#### SUBCOMMITTEE ON HUMAN INTELLIGENCE, ANALYSIS AND COUNTERINTELLIGENCE

Jerry Lewis (Republican, California), Chairman

C.W. Bill Young (Republican, Florida)  
Porter J. Goss (Republican, Florida)  
Bud Shuster (Republican, Pennsylvania)  
Bill McCollum (Republican, Florida)  
Michael N. Castle (Republican, Delaware)  
Ronald D. Coleman (Democrat, Texas)  
Bill Richardson (Democrat, New Mexico)  
Julian C. Dixon (Democrat, California)  
David E. Skaggs (Democrat, Colorado)

#### SUBCOMMITTEE ON TECHNICAL AND TACTICAL INTELLIGENCE

Robert K. Dornan (Republican, California), Chairman

James V. Hansen (Republican, Utah)  
Jerry Lewis (Republican, California)  
Bud Shuster (Republican, Pennsylvania)  
Bill McCollum (Republican, Florida)  
Michael N. Castle (Republican, Delaware)  
Nancy Pelosi (Democrat, California)  
Norman D. Dicks (Democrat, Washington)  
Robert G. Torricelli (Democrat, New Jersey)

David E. Skaggs (Democrat, Colorado)

The stated purpose of H. Res. 658 of the 95th Congress, which created the House Permanent Select Committee on Intelligence, was to establish a committee "to oversee and make continuing studies of the intelligence and intelligence-related activities and programs of the United States Government and to submit to the House appropriate proposals for legislation and report to the House concerning such intelligence and intelligence-related activities and programs."

H. Res. 658 also indicated that the Committee "shall make every effort to assure that the appropriate departments and agencies of the United States provide informed and timely intelligence necessary for the executive and legislative branches to make sound decisions affecting the security and vital interests of the Nation. It is further the purpose of this resolution to provide vigilant legislative oversight over the intelligence and intelligence-related activities of the United States to assure that such activities are in conformity with the Constitution and laws of the United States."

#### REPORT

#### SCOPE OF COMMITTEE REVIEW

U.S. intelligence and intelligence-related activities under the jurisdiction of the Committee include the National Foreign Intelligence Program (NFIP), the Joint Military Intelligence Program (JMIP) and the Department of Defense Tactical Intelligence and Related Activities (TIARA).

The National Foreign Intelligence Program consists of activities in the following departments, agencies or other intelligence elements of the government: (1) the Central Intelligence Agency (CIA); (2) the Department of Defense; (3) the Defense Intelligence Agency (DIA); (4) the National Security Agency (NSA); (5) the National Reconnaissance Office (NRO); (6) the Departments of the Army, Navy and Air Force; (7) the Department of State; (8) the Department of Treasury; (9) the Department of Energy; (10) the Federal Bureau of Investigation (FBI); (11) the Drug Enforcement Administration; and (12) the National Imagery and Mapping Agency (NIMA).

The Joint Military Intelligence Program (JMIP) was established in 1995 to provide integrated program management of defense intelligence elements that support defense-wide or theater-level consumers. Included within JMIP are aggregations created for management efficiency and characterized by similarity, either in intelligence discipline (for example, Signals Intelligence, Imagery Intelligence) or function (for example, satellite support or aerial reconnaissance). The programs comprising JMIP also fall within the jurisdiction of the National Security Committee.

The Department of Defense Tactical Intelligence and Related Activities (TIARA) are a diverse array of reconnaissance and target acquisition programs that are a functional part of the basic military force structure and provide direct information support to military operations. TIARA, as defined by the Joint Chiefs of Staff and the Secretary of De-

fense, include those military intelligence activities outside the defense intelligence program that respond to requirements of military commanders for operational support information as well as to national command, control, and intelligence requirements. The programs comprising TIARA also fall within the jurisdiction of the National Security Committee.

#### INTELLIGENCE AUTHORIZATION ACTS FOR FISCAL YEARS 1996 AND 1997

During the 104th Congress, the Committee authorized funding and personnel levels for fiscal years 1996 and 1997. This activity was carried out at the full Committee level, rather than through a separate subcommittee, as had been the practice in past years.

The Committee conducted detailed and extensive reviews of the President's fiscal year 1996 and fiscal year 1997 budget requests for intelligence and intelligence-related activities. These reviews included substantive and programmatic hearings member briefings and numerous staff briefings. The Committee conducted hearings organized across functional lines within the Intelligence Community rather than by agency. This permitted the Committee to take a broader view of each of the issues and analyze how the various intelligence functions relate to one another.

Testimony on the President's budget submission was taken from the Director of Central Intelligence; the Assistant Secretary of Defense for Command, Control, Communications and Intelligence (CI); the Directors of the DIA, NSA and the FBI; and major intelligence program managers.

The Committee began its review of these budget submissions with the view that the Committee's recommended authorization levels for the past several years had been driven to some degree by political considerations as to an "acceptable" intelligence budget level. For the fiscal years 1996-1997, the Committee emphasized the future needs and requirements of the Intelligence Community, believing firmly that the U.S. must start building now for the Intelligence Community we will need in the 21st century.

Four themes were central to the Committee's budget deliberations: (1) evaluating each budget line solely on the merits of that program; (2) eschewing the practice of establishing an arbitrary budget ceiling and then forcing program trade-offs to remain within the ceiling; (3) giving increased emphasis to "downstream" activities (the processing, exploitation and dissemination of intelligence data and analysis) in order to create a better balance between these activities and collection; and (4) thinking about longer term intelligence priorities.

As a result of these themes and its detailed reviews, the Committee recommended very modest increases for both fiscal years in order to reverse the decline of past years and to create some stability in which intelligence program managers could make necessary and appropriate plans for the future.

#### AREAS OF SPECIAL INTEREST

The following issues were of special interest to the Committee during the 104th Congress:

#### IC21: The Intelligence community in the 21st century

IC21 was a major focus of the Committee's activities during the 104th Congress—a review of the roles, functions, missions and capabilities of the Intelligence Community with an emphasis on how well suited these were to likely national security concerns in the 21st century. IC21 started from the premise that the United States continues to need a strong, highly capable and increasingly flexible Intelligence Community and

that this need has not diminished with the end of the Cold War. IC21 emphasized *opportunity*—a propitious time for us to undertake such a review and to implement recommended changes, not reform. All facets of the Intelligence Community were subject to scrutiny; there were no preconceptions as to the "right answer" to this study.

The IC21 effort was buttressed by a significant intellectual underpinning. Over 40 current and former national security officials, academics and intelligence veterans were queried in order to shape the initial inquiry. It was decided that a functional approach (requirements; the management of resources, collection, production; systems development, the various collection disciplines; analysis; infrastructure; evaluation) to intelligence was preferable to an agency-by-agency review. The committee believed that an agency-by-agency review would more likely lead to either a confirmation or rejection of the *status quo* without providing a basis for projecting future intelligence needs and how best to meet them.

IC21 was, to the fullest extent possible, an open and public process. The Committee held seven open hearings and one closed hearing that has since been declassified. Witnesses included the Director of Central Intelligence (DCI) and six of his eight predecessors, representing a wealth of professional experience; experts in future technologies; and former senior policy and intelligence officials. The Committee also drew upon the extensive work that had been done for the fiscal year 1996 and 1997 intelligence budgets. Committee staff also conducted dozens of interviews and held several staff panels with other intelligence experts.

Majority staff used this functional approach as a template for 14 staff studies, which were published in April 1996. The IC21 staff studies included 87 findings and 105 recommendations. Chief among them was the need for a more "corporate" Intelligence Community, *i.e.*, an Intelligence Community in which all components understand that they are part of a larger coherent process aiming at a single goal: the delivery of timely intelligence to policy makers at various levels.

The staff studies also identified continued shortcomings in and recommended strengthening the authorities (versus responsibilities) of the DCL, particularly in the areas of budget and personnel, where individual program managers often appear to have greater independence. The study also recommended designating the Director, DIA as the Director of Military Intelligence (DMI) and supporting him with a DMI Staff, in order to improve corporate thinking in that major part of the Intelligence Community.

Among the more controversial proposals were several in the area of intelligence collection, including the creation of a Technical Collection Agency (TCA), combining signals intelligence imagery intelligence and measurement and signatures intelligence in a single agency so as to break down the "stovepipes" in which these collection disciplines are often bound and the creation of a Technology Development Office (TDO), to be responsible for all research and development of collection-related technology. IC21 also recommended that the Clandestine Service be organizationally separated from the CIA, giving the DCI direct authority over that service.

The concept of a TCA was in contrast to the proposal made by the DCI to create a National Imagery and Mapping Agency (NIMA) that would combine all imagery assets, including collection, processing, exploitation and analysis in a single Defense Department combat support agency. A majority of the Committee did not support NIMA, citing

concerns about the ability of a Defense combat support agency to serve all national customers. Similarly, concerns about the possibility of tactical intelligence needs overwhelming competing national needs for imagery was a key consideration in the Committee's opposition to the creation of NIMA. There were also concerns about putting imagery analysts within the collection agency and the NIMA would reinforce the concept of separate and competing collection "stovepipes," rather than a more corporate and cooperative system. Despite the opposition of a majority of this Committee, NIMA was created as part of the FY1997 Defense Authorization Act.

As reported by the Committee in June 1996, the IC21 bill advanced more modest changes in six main areas: (1) improving the support structure for the DCI to carry out his Community-wide responsibilities, including a second Deputy DCI for Community Management and an enhanced Community Management Staff; (2) limited increases in the SCI's authority to transfer personnel and money within the National Foreign Intelligence Program; (3) establishing the Director, DIA as the DMI, with a DMI Staff; (4) improving executive guidance and direction, creating two committees on the National Security Council, Foreign Intelligence and Transitional Threats; (5) creating a Civilian Intelligence Personnel Management System in the Defense Department; and (6) authorizing the DCI and Secretary of Defense to undertake a study on the future of intelligence collection, including the concepts put forward in the IC21 study.

The IC21 staff study also recommended changes in the House rules for this Committee. Specifically, it recommended that the system of rotating membership on this Committee be ended and that membership be made permanent, although still selected by the Speaker and the Minority Leader.

The Senate Select Committee on Intelligence incorporated its own proposals for "intelligence community reform and renewal" in its version of the FY1997 Intelligence Authorization Act. The conference over these bills then became the venue in which final decisions were made about IC21 issues and alternative Senate proposals.

H.R. 3259 enacted the following provisions related to Intelligence Community management and structure:

Created National Security Council Committees on Foreign Intelligence and on Transnational Threats;

Created a Deputy DCI for Community Management, subject to confirmation by the Senate;

Under this new Deputy DCI, created three Assistant DCIs: Collection; Analysis & Production; Administration. Each will be subject to confirmation by the Senate;

Strengthened the evaluation function of the National Intelligence Council;

Enhanced the DCI's authority over Intelligence Community budget and personnel;

Made the General Counsel of the CIA a statutory position, subject to Senate confirmation;

Required the concurrence of the DCI in the appointment of the Directors of the National Security Agency, the National Reconnaissance Office and the National Imagery & Mapping Agency; and

Required consultation with the DCI in the appointment of the Director of the Defense Intelligence Agency; the Assistant Secretary of State for Intelligence & Research; and the Assistant Director of the FBI for the National Security Division.

The main thrust of these provisions is to enhance of the DCI's ability to carry out his Community-wide responsibilities either directly or through the enhanced Community Management function.

#### *The National Reconnaissance Program*

In perhaps no area did the Committee have greater success in meeting its goal of shaping a 21st century Intelligence Community than in the National Reconnaissance Program (NRP), which is responsible for the development, launch and operation of spaceborne collection systems.

Beginning with its work on the fiscal year 1996 intelligence budget, the Committee raised serious questions about current management practices of the NRO and the future of collection systems. Although the Committee approved 99% of the funds requested for the NRP in that fiscal year, these funds were significantly redistributed, a reordering that was not without controversy on the Committee.

The Committee and, ultimately, Congress also mandated in the fiscal year 1996 Authorization Act that the DCI create a panel to assess the feasibility of moving to smaller satellites in the future. In asking for this report the Committee was not advocating an immediate shift to such satellites. Rather, the Committee believed the time was ripe to look at the feasibility of such a step in the future, with the clear understanding that if a panel of experts advised against it, then it would not be an option. Nonetheless, the Committee was gratified when the panel reported to the DCI in May 1996 "that now is an appropriate time to make a qualitative change in the systems architecture of the nation's reconnaissance assets." The panel stated that capabilities currently exist to build an imagery satellite 75% lighter but with 50% more capacity than the currently planned systems. The Committee agrees with the DCI that much more work and study need to be done on the transition to such systems. However, this change offers the prospects of satellite systems that will be more flexible and less expensive in terms of launch costs—both of which will be important contributors to an improved Intelligence Community.

#### *Guatemala*

The Committee undertook an extensive review of allegations concerning CIA involvement in certain activities in Guatemala, especially the murder of U.S. citizen Michael DeVine and the disappearance of Efraim Bamaca, a Guatemalan guerrilla. The Committee also investigated allegations of the destruction of documents by U.S. Army officers purported to prove U.S. human rights violations in Guatemala, and a possible circumvention of U.S. laws relating to the cutoff of assistance to Guatemala via intelligence liaison relationships. Many of these allegations were raised publicly by Representative Torricelli.

A draft report of the results of the investigation was prepared by Committee staff but not considered by the Committee during the 104th Congress. The draft report concluded that there was no evidence to support these allegations. There was no evidence that U.S. Government personnel played any role in either the death of DeVine or the disappearance of Bamaca, or that the U.S. Government concealed any action that might have constituted a violation of U.S. law. Further, the allegations concerning document destruction by two Army officers appear to have been fabricated by the person who provided them to Representative Torricelli. This fabrication remains under investigation by the U.S. Attorney in Baltimore, Maryland. The draft report also concluded that the U.S. did not use intelligence channels to unlawfully compensate Guatemala for the cutoff of overt assistance.

Finally, although there was no evidence that any U.S. government employee knowingly misled Congress's intelligence oversight committees, the draft report concluded

that the CIA failed in its obligation under 50 U.S.C. 413 to keep those committees "fully and currently informed." The President's Intelligence Oversight Board which also conducted a review of these activities, made note of this failure in its report.

The draft report will be reviewed and released, as appropriate, at the beginning of the 105th Congress.

#### *Haiti*

The Committee undertook an investigation as to whether intelligence collection and reporting on Haiti was being politicized by policy officials. The Committee heard testimony from a variety of witnesses, including representatives of CIA, DIA and the State Department. A report has not been prepared pending further investigation and the completion of an inquiry on Haiti by the Inspector General of the Department of State.

#### *Iran/Bosnia*

In April 1996, press articles asserted that the Clinton administration had not objected to the shipment of arms from Iran into Bosnia. Specifically, the U.S. ambassador, when asked by Croatian government officials for the U.S. position regarding such shipments, was ordered by senior State Department and NSC officials to respond to the Croats that he had "no instructions." The Committee voted to investigate "those aspects of the transfer of arms to Bosnia that fall within the committee's responsibilities to conduct oversight of the intelligence activities of the United States Government." Specifically, the Committee's investigation focused on the following issues:

How was the "no instructions" policy implemented?

How did the State Department, National Security Council (NSC) and CIA react to this policy?

What effect did the CIA's lack of understanding of the policy have on events in the region and on relations within the embassy itself?

Did the implementation of this policy constitute a covert action?

The Committee will review the findings of the investigation and issue a report in the 105th Congress.

#### *The Ames espionage case*

The Committee continued to work on issues that arose as a result of the espionage of Aldrich Ames. One issue, identified in the Committee's 1994 report on this case, was the failure of the CIA to keep the oversight committees fully and currently informed of the 1985-86 losses of assets and of important developments in its efforts to determine the cause of those losses. This failure was made more egregious by the fact that, in several instances prior to Ames' arrest, members of the Committee had asked pointed questions about ongoing counterintelligence problems.

Acting DCI Admiral William Studeman stated that the CIA had failed to meet its obligation under Section 502 of the National Security Act, requiring that Congress be informed of all intelligence activities including "any significant intelligence failure." The Committee then investigated whether this failure to notify was intentional. The Committee, as a result of the inquiry, did not find that any senior CIA official ever directed the withholding of information from Congress. The investigation did reveal, however, that CIA officials did not consider bringing the issue of espionage problems to the attention of Congress. Not all CIA officials understood the requirement of Section 502. Congress does not have to "ask the right questions" in order for information to be conveyed the Intelligence Community must be forthcoming.

A second issue relating to Ames' espionage concerned whether intelligence reporting

that may have come from controlled Soviet sources influenced U.S. decision making. The Committee's investigation revealed management problems in the dissemination of certain reports and the degree to which these were conveyed to policy makers with accurate and proper caveats. However, neither this Committee, the Defense Department nor the CIA were able to discover any U.S. decisions that were influenced by controlled-source reports. Indeed, given the inherent complexity of Defense acquisition decisions, it would be highly unusual—if not impossible—for this process to be influenced solely by such reports alone, whether accurate or controlled.

Finally, the Committee asked the Inspector General of the Department of Justice to conduct a review of the FBI's performance in the Ames case. The Department of Justice agreed to do this in February 1995. However, by the end of the 104th Congress the Justice IG had not yet finalized what has been described as a voluminous and weighty report that the Committee expects to be of great value in its review of the Nicholson and Pitts espionage cases.

#### *CIA drug trafficking investigation*

In August 1996, the San Jose Mercury News published a series of articles regarding the introduction, financing, and distribution of crack cocaine into communities of Los Angeles. The articles alleged that one of the drug trafficking rings responsible for introducing crack cocaine to Los Angeles was operated by a Nicaraguan who used some of his drug profits to provide lethal and non-lethal assistance to the Contras. Furthermore the Mercury News articles implied that the CIA either backed, or at least condoned, the drug trafficking activity. In September 1996, the Committee began a formal investigation into these allegations. Separate investigations were also begun by the Inspectors General (IG) of the Department of Justice and the CIA.

The scope of the Committee's investigation focuses on the following questions:

Were any CIA operatives/assets involved in the supply or sale of drugs in the Los Angeles area?

If CIA operatives or assets were involved, did the CIA have knowledge of the supply or sale of drugs in the Los Angeles area by anyone associated with the Agency?

Did any other U.S. Government agency or employee within the Intelligence Community have knowledge of the supply or sale of drugs in the Los Angeles area between 1979-1969?

Were any CIA officers involved in the supply or sales of drugs in the Los Angeles area since 1979?

Did the Nicaraguan Contras receive any financial support, through the sale of drugs in the United States, during the period when the CIA was supporting the Contra effort? If so, were any CIA officials aware of this activity?

What is the validity of the allegations in the San Jose Mercury News?

The Committee, in keeping with past practice, also stated that it would await the completion of the two IG investigations and review the results as part of the Committee's inquiry into this matter before issuing a report.

Since the beginning of its investigation, the Committee has engaged in many activities to gather information, including: tasking the Congressional Research Service for background data related to the Iran-Contra investigations; taking the IGs of the Department of Justice and CIA to provide access to all material that they compile in the course of their investigations conducting several interviews in Washington, Los Angeles,

and attending and participating in two "town hall" meetings in South Central Los Angeles.

The Committee's investigation will continue into the 105th Congress, with much more data to be reviewed and interviews to be conducted. For example, the CIA IG has identified over 6000 documents available for Committee review. The Committee also anticipates additional travel related to this investigation, including additional trips to California and Nicaragua. As previously mentioned, the Committee will not complete its investigation until it has had the opportunity to review the results of the two separate IG investigations that will likely not be completed until the end of 1997.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. UPTON] is recognized for 5 minutes.

[Mr. UPTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

#### URGING PASSAGE OF THE NATIONAL DEFENSE AUTHORIZATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, I rise tonight to urge the adoption and final form of the National Defense Authorization Act for fiscal year 1998. The challenge we have is to protect U.S. interests in an uncertain world, Mr. Speaker. The continued decline in defense spending and ongoing reductions in the size of U.S. armed forces combine that increasing pace of operations especially in peacekeeping and humanitarian relief missions are compelling the U.S. military to do more with less. Managing budgetary military and strategic risks in this environment requires the defense program that balances the imperatives to maintain forces ready to deploy and fight today to sustain a decent quality of military life and to prepare now for these certain challenges of the future.

H.R. 1119 helps restore a measure of balance to the Nation's defense program by doing the following: Sustain the readiness of U.S. combat forces safeguarding the resources and the training required for victory in high intensity combat which is what makes U.S. troops the best in the world, providing a decent quality of life to service members and their families to ease the men and problems associated with the high level of activity and numerous operations for an all-volunteer military that is 65 percent married, striving for adequate modernization to insure today's technological edge for the U.S. troops on tomorrow's battlefields and implementing real defense reform by downsizing unnecessary defense bureaucracy and making defense business practices more efficient.