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100TH CONGRESS }
1st Session }

HOUSE OF REPRESENTATIVES

REPORT
100-432

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR
1988

NOVEMBER 10, 1987.—Ordered to be printed

Mr. STOKES, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 2112]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2112) to authorize appropriations for fiscal year 1988 for intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, having agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Intelligence Authorization Act, Fiscal Year 1988."

TITLE I—INTELLIGENCE ACTIVITIES

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1988 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

- (1) The Central Intelligence Agency.*
- (2) The Department of Defense.*
- (3) The Defense Intelligence Agency.*
- (4) The National Security Agency.*

19-006

TITLE VII—STUDY OF INTELLIGENCE PERSONNEL SYSTEMS

Sec. 701. (a) The Director of Central Intelligence shall undertake to contract with the National Academy of Public Administration (hereinafter referred to as the Academy) for an objective study which shall be classified and which shall consist of a comprehensive review and comparative analysis of all personnel management and compensation systems affecting civilian personnel of agencies and entities of the intelligence community.

(b) In conducting the study described in subsection (a), the Academy shall determine the adequacy of existing personnel systems to further the ability of intelligence agencies or entities to perform their missions, and make such recommendations for legislative, regulative or other changes as the Academy determines advisable.

(c) The study described in subsection (a) shall be completed in final form no later than January 20, 1989 and such study, and any interim report of such study, shall be transmitted upon receipt by the Director of Central Intelligence to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

(d) Of the amount available to the Intelligence Community Staff for fiscal year 1988 under Section 201, not more than \$500,000 shall be available for the study described in subsection (a).

(e) The Director of Central Intelligence, the Director of the Intelligence Community Staff, and the heads of the elements of the intelligence community shall provide such support and appropriate access to necessary information as the Academy may require to complete the study described in subsection (a).

TITLE VIII—GENERAL PROVISIONS

RESTRICTION OF CONDUCT OF INTELLIGENCE ACTIVITIES

Sec. 801. 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 laws of the United States.

INCREASES IN EMPLOYEE BENEFITS AUTHORIZED BY LAW

Sec. 802. 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 benefits authorized by law.

TITLE IX—MOUNT ALTO EMBASSY SITE

ASSESSMENT OF SOVIET ELECTRONIC ESPIONAGE CAPABILITY

Sec. 901. (a) REVIEW AND ASSESSMENT.—The Secretary of Defense shall review and assess the present and potential capabilities of the Government of the Soviet Union to intercept United States communications involving diplomatic, military, and intelligence matters from facilities on Mount Alto in the District of Columbia. The Secretary shall submit to Congress a report on such review and assess-

ecutive branch reports, but unnecessary to exempt DIA from either the Freedom of Information Act or the Privacy Act, since compliance with those statutes has not been a problem for DIA and because both statutes provide adequate protection for classified information.

TITLE VII—STUDY OF INTELLIGENCE PERSONNEL SYSTEMS

SECTION 701

Section 701 of the conference report requires the Director of Central Intelligence to contract with the National Academy of Public Administration to perform an objective classified study of personnel management and compensation systems affecting civilian personnel of the United States intelligence community.

Section 601 of the House bill would have created a Commission on Intelligence Personnel Systems to review personnel recruitment, retention, management and compensation programs of the U.S. intelligence community. The commission would have been made up of three members, one appointed by the President, another by the Speaker of the House, and a third by the Majority Leader of the Senate. The House felt the Commission was necessary to provide a comprehensive review of current programs; assess the need for changes, especially those required by the unique circumstances of intelligence activities; and to present recommendations to the Congress for necessary changes after considering the potential inequities the proposed changes would create either among intelligence agencies or between the intelligence community and the Federal Civil Service. The Senate amendment had no comparable provision.

The conference agreement provides for the conduct of the study that would have been required by the House bill except that under the conference agreement, the study shall be conducted by the National Academy of Public Administration (NAPA), an independent Federally-chartered institution with significant expertise in government management issues and an excellent reputation for objective, thorough study. The study will assess the ability of intelligence community activities to perform their current and future missions with existing or proposed personnel and compensation systems.

The conference agreement directs the Director of Central Intelligence to contract with NAPA to conduct the study of intelligence personnel systems but it is the expectation of the conferees that the Director will consult with the intelligence committees in his negotiations to select a NAPA team to conduct the study and in the development of essential parameters of that study. The language of the conference agreement also provides that the Director of Central Intelligence, the Director of the Intelligence Community Staff, and all elements of the intelligence community must provide necessary support, including personnel, to the NAPA panel as well as access to all information relating to intelligence personnel and management issues. The conferees further urge the Director of Central Intelligence to ensure that members and staff of the NAPA panel are given every measure of cooperation and that security investigations and review necessary to provide clearances for them are given priority attention.

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The NAPA study panel should be tasked with producing interim analytical reports before the required completion of the final report by January 20, 1989. The conferees believe that such interim reports, which should be provided on May 1 and August 1, 1988, could be useful to the intelligence committees and to the intelligence community. The conferees urge the Director to ensure that such interim reports particularly address an analysis of existing or proposed changes to personnel management and compensation systems aimed at recruiting or retaining individuals with skills critical to the various missions of the agencies and entities of the intelligence community. Among the skills of critical importance to a number of such intelligence entities are mathematics, computer science, engineering, and foreign languages.

The conferees are aware that some intelligence agencies may seek to institute changes in their personnel management and compensation programs during the period in which NAPA is conducting the intelligence personnel study. The conferees do not wish to discourage personnel management and compensation improvements implemented within the framework of current programs. ~~However, the purpose of the study is to provide a baseline for a comprehensive review by the intelligence committees of all personnel needs of the intelligence agencies presented in a coherent and coordinated fashion. The conferees believe that significant, non-urgent changes in personnel management or compensation programs should be reviewed very carefully before they are implemented.~~

The conferees consider the authorized programs for fiscal year 1988 to include only those personnel management and compensation programs in effect at the time the budget was submitted and justified. ~~Significant changes to those programs would be of special Congressional interest and would require submission to the intelligence committees for consideration under established reprogramming or transfer procedures. By "significant," the conferees mean departures from current personnel management or compensation structures.~~ While the conferees do not intend to discourage needed change, they emphasize that any contemplated significant program change should be submitted well in advance of the date anticipated for implementation. Unless submitted as part of the annual fiscal year 1989 budget request, such proposals should be submitted at least 30 days prior to proposed implementation.

TITLE VIII—GENERAL PROVISIONS

SECTION 801

Section 801 of the conference report provides that the authorization of appropriations by the conference report shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or laws of the United States. Section 801 of the conference report is identical to Section 701 of the House bill and of the Senate amendment.