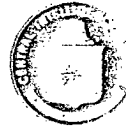


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Central Intelligence Agency



Washington, D.C. 20505

16 August 1988  
OCA 2769-88

Mr. James C. Murr  
Assistant Director for Legislative  
Reference  
Office of Management and Budget  
Washington, D.C. 20503

Dear Mr. Murr:

Enclosed are four "Unsolved Issues" sheets  
submitted on behalf of the Director of Central  
Intelligence: "Drug Czar"; "Increased Intelligence  
Capabilities"; "Increased Research - Supply Side";  
and, "Funding Issues".

Sincerely,



STAT

Enclosures  
as stated

A/D/OCA/JCG/PS/bsb:(26126) 16 Aug 88

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UNRESOLVED ISSUES

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Title of Two-Pager: "Funding Issues"

Unresolved Issues: Creation of "Debt Czar" in Treasury Department (S. 2205 - §1005)

Description of Unresolved Issue:

The issue is whether there should be created in the Treasury Department a "debt czar" with expansive powers vis a vis federal agencies and their debt management.

Department Position:

The Director of Central Intelligence (DCI) opposes this provision.

The broad powers of the "debt czar" to receive information regarding intelligence sources and methods threatens the DCI's ability to protect them from unauthorized disclosure. Moreover, the provision's overemphasis on debt collection activities would significantly detract from the Community's ability to perform its various missions.

We understand this provision will be deleted due to strong Administration opposition. Should, however, the Administration accede to creation of a "debt czar", an amendment would be required to address the above concerns.

UNRESOLVED ISSUES  
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Title of Two-Pager: "Increased Research - Supply Side"

Unresolved Issues:

- 1) Rededication of Intelligence Community Research Facilities For Law Enforcement Purposes
- 2) GAO Oversight of Rededication

Description of Unresolved Issue:

The first issue is whether existing research facilities of the Intelligence Community should be rededicated to support law enforcement, anti-drug research (S. 2205 - §§601, 602; "Byrd draft" - §4501).

The second issue is whether the Comptroller General/General Accounting Office should oversee the process. (S. 2205 - §602; "Byrd draft" - §4501 (c)).

Department Position:

The Director of Central Intelligence (DCI) opposes both provisions.

The rededication of Intelligence Community R&D resources would deprive the Community of those resources and the DCI of the flexibility he needs to meet continually changing intelligence R&D priorities. It would increase the difficulties of protecting sensitive intelligence sources and methods from disclosure. Moreover, it is unnecessary as there are already in existence much more flexible and workable administrative mechanisms to accomplish this goal.

With respect to the second, Congressional oversight of intelligence activities is vested with the intelligence committees. For this and other reasons, the DCI has opposed and continues to oppose any proposals to involve the Comptroller General and the General Accounting Office in such oversight.

We are awaiting the opportunity to review a compromise proposal in this area which we understand will be forthcoming.

UNRESOLVED ISSUES

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Title of Two-Pager: "Increased Intelligence Capabilities"

Unresolved Issues:

- 1) Amendment of ¶ V of National Security Act by H.R. 4842 (§3081)
- 2) Amendment of Foreign Intelligence Surveillance Act by H.R. 4842 (§3082)

Description of Unresolved Issue:

The first issue is whether Title V of the National Security Act should be amended by H.R. 4842 so as purportedly to allow the government to engage in "covert actions" directed against narcotics trafficking.

The second issue is whether the Foreign Intelligence Surveillance Act (FISA) should be amended by H.R. 4842 so as to exclude from the restrictions otherwise imposed by FISA narcotics-related intelligence collection activities.

Department Position:

The Director of Central Intelligence (DCI) opposes both amendments.

The first is unnecessary as there already exists ample legal authority for such activities, if otherwise funded and approved. Moreover, this amendment, by amending Title V, would have the effect of opening up the sensitive issue of Congressional oversight of intelligence activities, something the DCI does not believe appropriate at this time.

With respect to the second, the DCI believes the risks of opening FISA to amendment outweigh any benefits. Because of this, the DCI further believes that any effort should be an across-the-board one, aimed at all Executive Branch concerns with FISA, and should not be limited to one subject.

We have been advised that the National Security Council (NSC) supports the DCI's position.

UNRESOLVED ISSUES

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Title of Two-Pager: "Drug Czar"

Unresolved Issues: 1) Creation of Drug Czar  
2) DCI Exemption

Description of Unresolved Issue:

The first issue is whether the position of "drug czar" should be created. The second issue is whether, if such a position is created, the exemption in current law for Director of Central Intelligence's authorities should be continued.

Department Position:

The Director of Central Intelligence (DCI) strongly opposes creation of a "drug czar". In this regard, the DCI shares the concerns expressed by the Departments of State and Justice as well as by other departments.

The Congress, however, appears to strongly support creation of such a position. Accordingly, if the Administration is unable to defeat the "drug czar", the DCI would require a proviso vis a vis the "czar" similar to that which currently exists vis a vis the Drug Policy Board. 21 U.S.C. §1203 (d).