

OCA 2759-88

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1. D/OCA		
2. DD/Legislation	X	X
3. DD/Senate Affairs		X
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5. DD/House Affairs		X
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SUSPENSE

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**SPECIAL**



**EXECUTIVE OFFICE OF THE PRESIDENT**

**OFFICE OF MANAGEMENT AND BUDGET**

WASHINGTON, D.C. 20503

August 15, 1988

OCA FILE

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**LEGISLATIVE REFERRAL MEMORANDUM**

**TO: Legislative Liaison Officer -**

Office of Personnel Management  
National Security Council  
Department of State  
~~Central Intelligence Agency~~

**SUBJECT:** Defense draft bill 100-117, "To amend Title 10, U.S.C. to improve existing military intelligence collection, production and dissemination capabilities."

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than

WEDNESDAY, SEPTEMBER 7, 1988.

Questions should be referred to **SUE THAU/ANNETTE ROONEY** (395-7300), the legislative analyst in this office.

*Ronald K. Peterson*

**RONALD K. PETERSON FOR  
Assistant Director for  
Legislative Reference**

**Enclosures**

- CC:** A. Donahue
- H. Schreiber
- N. Moore
- J. Eisenhower
- E. Rea

**SPECIAL**

The Honorable Jim Wright  
Speaker of the House of Representatives  
Washington, D.C. 20515

Dear Mr. Speaker:

Allow me to submit for consideration the attached draft legislation, which is intended to improve existing military intelligence collection, production and dissemination capabilities. This legislation can be entitled "The Military Intelligence Authorities Enhancement Act."

This proposal is part of the Department of Defense legislative program for the [\_\_\_\_\_] Congress. The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to presenting this legislation to the Congress for consideration at this time.

#### PURPOSE OF THE LEGISLATION

This proposal seeks to ameliorate several shortcomings in authority that currently degrade our ability to collect, produce and disseminate the quantity and quality of foreign intelligence and counterintelligence necessary for the national defense.

1. Foreign Language Proficiency Pay. This proposal would merely authorize the Secretary of Defense to provide the same foreign language proficiency incentive pay to DoD civilian personnel that previously has been authorized for CIA, NSA and uniformed military personnel. The need for such incentive pay within the intelligence arena is crucial, especially given the expanded language proficiency requirements levied by the INF treaty inspection and compliance regime.

2. Intelligence Training for Foreign Military Personnel. The Defense Intelligence Agency has had several opportunities to establish or improve intelligence collection capabilities frustrated because of the Agency's inability to offer basic intelligence training to foreign military personnel. Such training authority could enhance substantially the Agency's ability to establish or expand liaison and cooperation with foreign intelligence services. The training to be provided generally would teach basic intelligence skills to selected foreign military personnel. We believe the intelligence benefits received would far outweigh the modest training costs anticipated.

3. Foreign Materiel Utilization. The Department of Defense recently has had difficulty in transferring and/or reprogramming sufficient appropriated funds quickly enough to capitalize upon the unanticipated availability of foreign materiel with significant intelligence value, or to acquire such materiel that may have significant implications for assessing the likelihood of

success of possible foreign policy actions. In both cases, timely acquisition and exploitation may be vital. Improved acquisition and exploitation authority will also satisfy foreign materiel requirements crucial to other significant activities such as weapons testing and development. The present acquisition and exploitation system does not have sufficient flexibility to respond to these needs.

#### COST AND BUDGET DATA

1. DoD Foreign Language Proficiency Pay. DIA anticipates an expenditure of approximately \$80,000 during the first year.
2. Intelligence Training for Foreign Military Personnel. Use of this training authority anticipates inclusion of small numbers of foreign military personnel in existing, ongoing DoD training programs or classes. Hence, this proposal will result in only a slight increase in existing training requirements. We anticipate that the cost of this added training increment will be minimal.
3. Foreign Materiel Utilization. There will be no cost to this legislation, since it merely amends the foreign materiel acquisition and exploitation procedures. The cost of the acquisition and exploitation program that will utilize this authority is addressed in the appropriations process. Meaningful cost and budget data are reviewable in that context.

#### Enclosures

Draft Bill

Section-by-Section Analysis

A BILL

To amend title 10, United States Code, to improve existing military intelligence collection, production and dissemination capabilities, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Military Intelligence Enhancement Act."

Sec. 101. Chapter 33 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"1606. Special Pay for Foreign Language Proficiency

"(a) In addition to any compensation authorized under section 1604(b) of this title, the Secretary of Defense may further compensate civilian officers and employees of the Department of Defense: (1) who have been certified to be proficient in a foreign language identified by the Secretary of Defense as being a language where personnel proficiency is necessary for national defense considerations; and (2) who serve in positions where proficiency facilitates performance of officially assigned duties, or otherwise are proficient in a foreign language for which the Department has a critical need."

"(b) The annual rate for special pay under subsection (a) shall be determined by the Secretary of Defense but may not exceed \$[3,600]."

Sec. 102. Chapter 101 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"2011. Training of certain foreign personnel

"Notwithstanding any other provision of law, the Secretary of Defense may provide training in intelligence collection, analysis and dissemination to personnel of the armed forces of any other country where the Secretary determines that such training will further the collection, production or dissemination of foreign intelligence or counterintelligence by the Department of Defense."

Sec. 103. Title 10, United States Code, is amended by adding a new chapter 154 to read as follows:

"Chapter 154 - Foreign Materiel Utilization.

"2590. Notwithstanding any other provision of law, the Secretary of Defense may acquire or accept foreign materiel

important to the military or intelligence interests of the United States and may exchange, accept or furnish information or materiel pursuant to an agreement with a foreign country or international organization for the production or exchange of intelligence. Transfers of foreign materiel under this chapter are subject to the provisions of section 503 of the National Security Act of 1947."

"2591. Notwithstanding any other provision of law, sums appropriated to the Department of Defense shall be available for acquisition or exploitation of foreign materiel when such acquisition or exploitation is determined by the Secretary to be important to the military or intelligence interests of the United States.

### SECTION-BY-SECTION ANALYSIS

Section 101 would provide the Secretary with authority to pay additional compensation to civilian employees of the Department, to include the military services and defense agencies, who are proficient in a foreign language which can be applied in the collection, production or dissemination of foreign intelligence. Currently, such authority exists for employees of the State Department, Central Intelligence Agency, National Security Agency and uniformed personnel of the military services. The need for such proficiency in other intelligence components of the Department of Defense, such as the Defense Intelligence Agency and the newly formed INF treaty On Site Inspection Agency, is fundamental because of increasing demands for high quality all-source military intelligence. In addition, it is recognized that the acquisition, maintenance and enhancement of a foreign language skill requires extraordinary effort and time normally outside of regular duty hours. Therefore, to encourage proficiency in critical foreign language communication skills (reading, speaking and listening) section 101 authorizes payment of special pay to civilian employees who test at or above a utility level established by the Secretary.

Section 102 adds a new section to chapter 101 of title 10, United States Code, authorizing the Secretary of Defense to provide training to foreign military personnel. Proposed section 2011 specifies that such training is confined to basic intelligence collection, production and dissemination skills. Training cannot be provided unless the Secretary determines that the collection, production or dissemination of foreign intelligence or counterintelligence by the Department of Defense will be enhanced.

Section 103 creates a new chapter 154 within title 10, United States Code, dealing with foreign materiel utilization. Proposed section 2590 authorizes the Secretary of Defense to acquire or accept, and exploit foreign materiel important to the military or intelligence interests of the United States and to exchange, accept or furnish information or materiel pursuant to an agreement with a foreign country or international organization for the production or exchange of intelligence. Proposed section 2590 further stipulates that foreign materiel transfers will be governed by the provisions of section 503 of the National Security Act of 1947 (section 415, title 50, United States Code). Section 503 requires that the Congress be apprised of certain transfers of materiel or services. Proposed section 2591 makes all sums appropriated to the Department of Defense available for use in acquiring or exploiting foreign materiel when such acquisition is determined by the Secretary to be important to the military or intelligence interests of the United States.