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DEPARTMENT OF THE ARMY

OFFICE OF THE SECRETARY OF THE ARMY WASHINGTON, DC 20310-1600

15 NOV 1988

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OCA 3746-88

MEMORANDUM FOR

CHIEF OF LEGISLATION,

OFFICE OF CONGRESSIONAL AFFAIRS, CIA

SUBJECT: FY 90 Intelligence Authorization Bill

Attached for your information, review, and follow-on discussion, as necessary, are the legislative packages Army would like to submit to the Administration and the Congress in the FY 90 Intelligence Authorization Bill.

Please note that we have deleted the proposal dealing with Defense Senior Intelligence Service (Reference: My 3 October memorandum to you, proposal #7). In its stead, we have substituted the "Permanent Termination Authority."

My schedule is such that I will be TDY until 16 November. Upon returning to my office, I will contact Dave or Paul to see where we stand.

Looking forward to working with you and your staff on these matters.

Robert J. Winchester
Special Assistant to the
Secretary of the Army
for Legislative Affairs

Attachments

DEFENSE LANGUAGE INSTITUTE

CIVILIAN PERSONNEL MANAGEMENT

LEGISLATION

SEC. ____. (a) Part III of title 10, United States

Code, is amended by adding at the end thereof the following

new chapter:

"CHAPTER 111--DEFENSE LANGUAGE INSTITUTE

"Sec.

"2191. Function.

"2192. Civilian faculty.

"2193. Civilian personnel management.

"2194. Conferral of degrees upon graduates.

"SEC. 2191. Function

"There is an organization for the instruction of Department of Defense personnel and others, as approved by the Secretary of Defense, in foreign languages and for the encouragement of foreign language instruction throughout educational institutions in the United States.

"SEC. 2192. Civilian Faculty

"The Secretary of Defense may employ such civilians as he considers necessary to serve in this Institute as chancellor, senior professors, professors, associate professors, assistant professors, instructors, and supporting staff. The Secretary of Defense shall prescribe the qualifications, duties, tenure, and compensation of those persons.

"SEC. 2193. Civilian Personnel Management

- "(a) The Secretary of Defense may establish a flexible personnel management system for the civilian faculty and analogous staff members of this Institute. Chapters 41, 43, 51, 53, 61, 75, and Subchapters I, II, and V of Chapter 55 of title 5 shall guide the Secretary in his establishment of such system but shall not be binding on the Secretary.
- "(b) In no case may compensation be paid at a rate in excess of the rate of basic pay for Level V of the Executive Schedule as noted in Chapter 53 of Title 5.
- "SEC. 2194. Conferral of Degrees Upon Graduates
- "(a) The Chancellor of the Institute, under direction of the Secretary of Defense, may confer on any qualified graduate an appropriate degree in a foreign language.

- "(b) A degree may not be conferred under this section unless the curriculum leading to that degree is accredited by the appropriate professional authority.".
- (b) The table of chapters at the beginning of subtitle A of such title, and the table of chapters at the beginning of Part III of such subtitle, are amended by inserting after the item relating to Chapter 110 the following new item:

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SECTION-BY-SECTION ANALYSIS

AND EXPLANATION

The legislation follows the spirit and intent of recent Office of Personnel Management (OPM) initiatives for a simplified management system approach to the existing Civil Service Personnel Management Program. DLI personnel are in full support of these initiatives and are striving to accomplish superior employee production. The OPM initiatives, however, fall short of allowing DLI to meet fully its organizational goals. DLI is a uniquely designed academic Insitution comprised of foreign language teaching specialists with native-level proficiency. There is no system allowing for progression in this environment by academic degree attainment or superior academic achievement. In addition, the Institute needs authority to classify its academic personnel and to support academic degree attainment.

The purpose of this legislation is to grant the Secretary of Defense the authority to establish an independent civilian personnel management system for the DLI and to promulgate regulations that will allow for the career development and training of faculty to meet the language training mission similar to private academic institutions. The proposed changes in the personnel management systems would lead to the professionalization of the faculty and resources. It would also lead to a significant improvement in student graduation rates. This improvement would contribute significantly to educating graduates who can perform at the required level in critical intelligence and foreign liaison functions throughout the Department of Defense and the national Intelligence Community.

DLI is an academically and professionally accredited Institution of higher education operated for the Department of Defense by the Department of the Army through its Training and Doctrine Command. As a part of the Federal Government it is administered under normal military and civil service procedures. DLI is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges. Since DLI is not a degree-granting Institution, it is recognized under the jurisdiction of the Junior Commission as a specialized post-secondary institution.

DLI is responsible for all military foreign language training for the Department of Defense. DLI trains approximately 6,000 students per year from all four Services (Army, Navy, Air Force, and Marine Corps). For academic and administrative purposes, the Institute is organized into six separate language schools with a total of 38 separate language departments. Each school is headed by a dean and each department by a chairperson. During the past decade, the DLI civilian faculty and staff has almost doubled to its current total of approximately 870 instructional and academic support personnel.

The language instruction that DLI provides becomes the foundation for future development in the students' designated career fields. Each career field requires specific language proficiency levels for its personnel. Currently, many of these levels are not being attained. While numerous factors contribute to this situation, a major problem is faculty personnel management as it is administered under the current civil service system. The growth in DLI student population (nearly an 85 percent increase in graduates from 1979 to 1986) has resulted in personnel management requirements which exceed existing limits. Specifically, the current classification system gives rank and pay to each position. It provides little or no flexiblity for reward of individual qualifications and contributions. The necessity to double faculty size has resulted in the hiring of numerous native speakers who are not trained in language teaching. At present only extremely limited professional training can be provided to correct this serious deficiency.

To correct these serious problems, the enclosed legislation is proposed. It would grant the Secretary of Defense classification and compensation authority for DLI. This would allow DLI to structure its work force following accepted academic models. Specifically, academic staff and faculty personnel would be awarded academic ranks based upon individual qualifications. Personnel would be required to meet established academic standards and would be compensated according to their individual contributions to the organization. This would provide management the flexibility essential to the operation of a modern educational institution. It should be noted that comparable personnel management systems have already been authorized for other Federal institutions: the U. S. Naval Academy by Section 6952 of title 10, U.S.C., the Naval War College by Section 7478 of title 10, U.S.C., the U.S. Naval Postgraduate School by Section 7044 of title 10, U.S.C., the U. S. Coast Guard Academy by Section 186 of title 14, the Merchant Marine Academy by Section 1126(e) of title 14, U.S.C., the Panama Canal College by title 20, U.S.C., and the Air Force Institute of Technology by title 10, U.S.C.

The second legislative change requested would allow DLI to provide financial assistance to the faculty in pursuit of degrees in fields related to foreign language teaching. Such authority would have an immediate, positive impact on faculty qualifications and be a major investment in improving the professional quality of the faculty.

COST ANALYSIS

The total additional cost of implementing this proposed legislation during the next five years is estimated at \$1.3 million. However, by enhancing the quality of language instruction, the proposal is expected to improve the proficiency of students by approximately 25% without increasing course length. The cost of increasing the length of courses to achieve a 25% increase in proficiency under the existing instructional system would be approximately \$55 million over the next five years. Thus, the proposal is estimated to result in a net avoidance of costs of approximately \$53.7 million in the next five years.

CHANGES IN EXISTING LAW

NOTE: Where applicable, changes in existing law are shown as follows: existing law in which no change is proposed is shown in roman; existing law proposed to be struck is enclosed in brackets; new material is underscored.

SEC. ____. (a) Part III of title 10, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER III-DEFENSE LANGUAGE INSTITUTE

"SEC.

"2191. Function.

"2192. Civilian faculty.

"2193. Civilian personnel management.

"2194. Conferral of degrees upon graduates.

"SEC. 2191. Function.

"There is an organization for the instruction of Department of Defense personnel and others, as approved by the Secretary of Defense, in foreign languages and for the encouragement of foreign language instruction throughout educational institutions in the United States.

"SEC. 2192. Civilian faculty

"The Secretary of Defense may employ such civilians as he considers necessary to serve in this Institute as chancellor, senior professors, professors, associate professors, assistant professors, instructors, and supporting staff. The Secretary of Defense shall prescribe the qualifications, duties, tenure, and compensation of those persons.

"SEC. 2193. Civilian personnel management

"(a) The Secretary of Defense may establish a flexible personnel management system for the civilian faculty and analogous staff members of this Institute. Chapters 41, 43, 51, 53, 61, 75 and Subchapters I, II, and V of Chapter 55 of title 5 shall guide the Secretary in his establishment of such system but shall not be binding on the Secretary.

"(b) In no case may compensation be paid at a rate in excess of the rate of basic pay for Level V of the Executive Schedule as noted in Chapter 53 of title 5.

"SEC. 2194. Conferral of degrees upon graduates

- "(a) The chancellor of the Institute, under direction of the Secretary of Defense, may confer on any qualified graduate an appropriate degree in a foreign language.
- "(b) A degree may not be conferred under this section unless the curriculum leading to that degree is accredited by the appropriate professional authority.".
- (b) The table of chapters at the beginning of subtitle A of such title; and the table of chapters at the beginning of Part III of such subtitle, are amended by inserting after the item relating to Chapter 110 the following new item:
- 111. Institute for the purpose of providing foreign language instruction......2191.

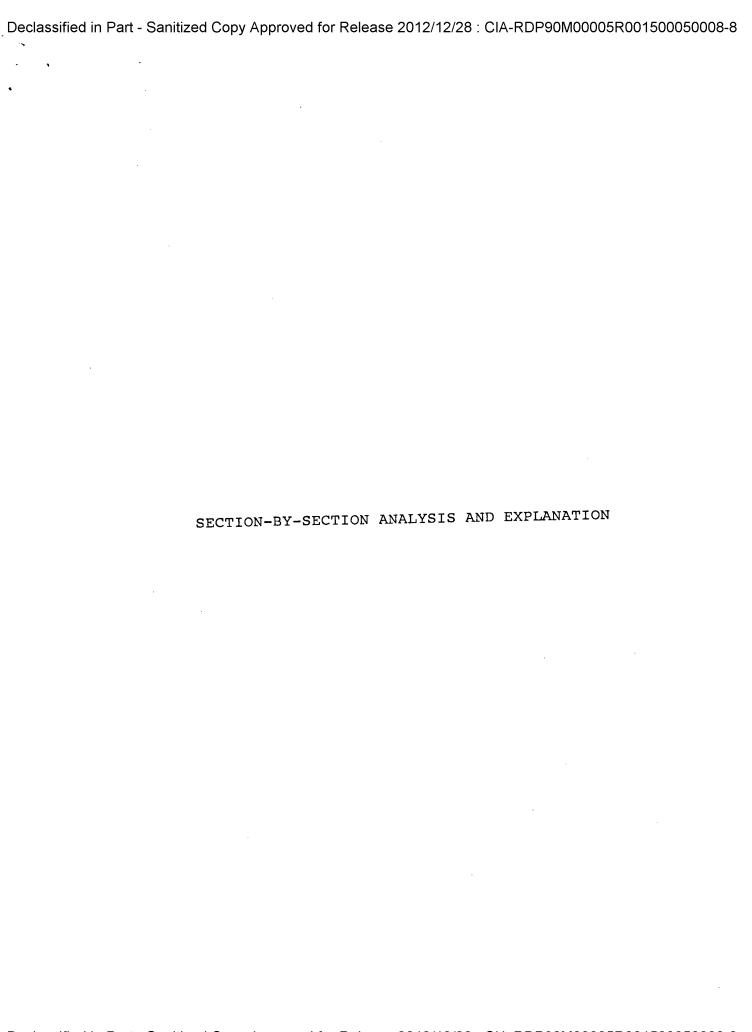
AMENDMENTS TO INTELLIGENCE IDENTITIES ACT

SEC._____. (a) Subsection (4) of Section 606 of the National Security Act of 1947, as amended, is further amended as follows:

In subclause (A), the following phrase is added after the phrase "Armed Forces":

"acting as an agent of, or informant or source of operational assistance to"

(b) In subclause (B)(i) strike the phrase "resides and" and in subclause B(ii) after the word "informant" and before the word "to" insert the following: "...or source of operational assistance." Further, strike the phrase "the Federal Bureau of Investigation" and insert the following: "...an intelligence agency."



- SEC. _____. Amends section 426(4) of title 50, United

 States Code to bring within the ambit of the Intelligence

 Identities Protection Act three classes of intelligence agents,

 informants and sources who—through an oversight—had not

 previously been so covered and whose activities require such

 protection:
- a. DOD personnel, both military and civilian, who are not assigned to duty with an intelligence agency, but nevertheless, whose identities and relationships to intelligence agencies are classified information, and who may have served outside the United States in the past five years, but currently serve within the United States.
- b. United States citizens whose intelligence relationships to the United States are classified information, and who reside in the United States, but act outside the United States on behalf of an intelligence agency.
- c. United States citizens whose intelligence relationships to the United States are classified information, but who at the time of the disclosure are not acting as agents or informants to the FBI, but who are acting as agents or informants or sources of operational assistance to another intelligence agency.

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SEC.____. Enactment of this legislation will cause no apparent increase in the budgetary requirements of the Department of Defense.

CHANGES IN EXISTING LAW

NOTE: Where applicable Changes in existing law are shown as follows: existing law in which no change is proposed is shown in roman; existing law proposed to be struck is enclosed in brackets; new material is underscored.

SEC. ____. (a) Section 426 (4) of title 50, United States Code, is amended as follows:

Section 426. Definitions.

* * *

- (4) The term "covert agent" means --
- (A) An officer or employee of an intelligence agency or a member of the Armed Forces [assigned to duty with] acting as an agent of, or informant or source of operational assistance to an ingelligence agency.
- (B) A United States citizen whose relationship to the United States is classified information, and -
- (i) who [resides and] acts outside the United States as an agent of, or informant or source of operational assistance to, an intelligence agency, or
- (ii) who is at the time of the disclosure acting as an agent of, or informant or source of operational assistance to, the foreign counterintelligence or foreign counterterrorism components of [The Federal Bureau of Investigation] an intelligence agency; or

RELIEF FROM PROHIBITION ON DUAL COMPENSATION

SEC. (a) Section 5532, Subchapter IV, Chapter 55 of title 5, United States Code is amended by adding at the end thereof the following new subsection:

- "(g). Notwithstanding any other provision of law, the retired or retainer pay of a former member of a uniformed Service shall not be reduced while such former member is employed by the United States Government to perform duties governed by Executive Order 12333 or successor orders, or to train others to perform such duties.".
- (b) The amendment made by this section shall be effective on 1 October 1989.

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	SECTION	BY SECTION	ANALYSIS	AND EXPLA	NATION	
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SEC. . adds a new Subsection (g) to Section 5532, Subchapter IV, Chapter 55 of title 5, United States Code to permit retired military personnel to receive their full retired or retainer pay when employed by the United States Government on intelligence-related duties. Under present law, a retired officer of a Regular Component holding a position with the U.S. Government forfeits a portion of his retired pay. The effect of this policy is to discourage such retired officers from seeking Government positions. There is, however, a particular need to attract to Government service retired military personnel with intelligence backgrounds; this section provides a means of doing so. By the time they retire, military intelligence officers are trained and qualified to high levels of unique professional expertise and are generally functioning at the height of their career productivity. If they could fill civilian positions, without financial loss, the United States Government would be able to obtain and benefit from their continued service.

Additionally, the civilian component of the Intelligence Community would be strengthened by the admixture of retired officers and civilian personnel lacking such prior military experience.

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COST ANALYSIS

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CHANGES IN EXISTING LAW

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- "(g). Nothwithstanding any other provision of law, the retired or retainer pay of a former member of a uniformed service shall not be reduced while such former member is employed by the United States Government to perform duties governed by Executive Order 12333 or successor orders, or to train others to perform such duties.".
- (b) The amendment made by this section shall be effective on 1 October 1989.

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SECURE PROMOTIONS FOR U. S. ARMY INTELLIGENCE OFFICERS

SEC. ____. (a) Chapter 343 of title 10, United States

Code, is amended by adding at the end thereof the following new section:

"SEC. 3549. Military Intelligence: Secure Promotions of Officers Serving in the Great Skills Program or its successors

"If the Secretary of the Army determines that compliance with the appointment procedures specified in section 624(c) of this title may be harmful to the security or safety of officers performing classified intelligence or counterintelligence duties as members of the Great Skills Program or its successors or compromise the security of an intelligence or counterintelligence operation conducted by Great Skills personnel, the Secretary may submit to the President a classified list identifying those affected officers whom the Secretary recommends for promotion. The President, without seeking the advice and consent of the Senate, may appoint officers so identified in grades below that of brigadier general. The Secretary of the Army shall annually report to the Committee on Armed Services of the Senate and House of Representatives the number of officers promoted under this section and the grades to which such officers were promoted.".

(b) The amendment made by this section shall be effective for promotions occurring on or after 1 October 1989; and

- (c) The table of sections at the beginning of Chapter 343 is amended by adding at the end thereof:
 - "3549. Military Intelligence: Secure Promotions of Officers Serving in the Great Skills Program or its Successors.".

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SECTION-BY-SECTION ANALYSIS AND EXPLANATION

SEC. . adds new Section 3549 to Chapter 343 of title 10 to delete the requirement for Senate confirmation of certain officers recommended for promotion to the next higher grade who are on the active duty list and perform classified intelligence or counterintelligence duties as members of the Army's Great Skills program (or successor prorams), a personnel management system for managing the careers of individuals who specialize in sensitive operational activities. This section provides a permanent statutory basis for informal understandings between the Army and the Senate Armed Services Committee regarding confirmation procedures designed to protect the identities of officers involved in these clandestine activities. This promotion authority will be used only if the Secretary of the Army determines that public disclosure of the identities and Army affiliation of the officers concerned might endanger their personal safety or compromise sensitive intelligence or counterintelligence operations. The new provision authorizes the President, acting alone, to appoint such officers to grades below that of brigadier general. It also requires the Secretary of the Army to provide annual reports to the Armed Services Committees of the Senate and House of Representatives specifying the number of officers appointed under this special procedure and the grades to which they are promoted.

COST ANALYSIS

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	SEC	E	nactment	of this	legislatio	on will cau	ise no
				budgetary	requireme	ent of the	Depart-
	ment of	Defense.					
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CHANGES IN EXISTING LAW

NOTE: Where applicable, changes in existing law are shown as follows: existing law in which no change is proposed is shown in roman; existing law proposed to be struck is enclosed in brackets; new material is underscored.

SEC. ____. (a) Chapter 343 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"SEC. 3549. Military Intelligence: Secure Promotions of
Officers Serving in the Great Skills Program
or its successors

"If the Secretary of the Army determines that compliance with the appointment procedures specified in section 624(c) of this title may be harmful to the security or safety of officers performing classified intelligence or counterintelligence duties as members of the Great Skills Program or its successor or compromise the security of an intelligence or counterintelligence operation conducted by Great Skills personnel, the Secretary may submit to the President a classified list identifying those affected officers whom the Secretary recommends for promotion. The President, without seeking the advice and consent of the Senate, may appoint officers so identified in grades below that of brigadier general. The Secretary of the Army shall annually report to the Committee on Armed Services of the Senate and House of Representatives the number of officers promoted under this section and the grades to which such officers were promoted.".

(b) The amendment made by this section shall be effective for promotions occurring on or after 1 October 1989;

U. S. CITIZENSHIP FOR U.S. ARMY RUSSIAN INSTITUTE (USARI) STAFF

Sec. _____. (a) Section 1430 of title 8, United States Code, is amended by adding at the end thereof the following new subsection:

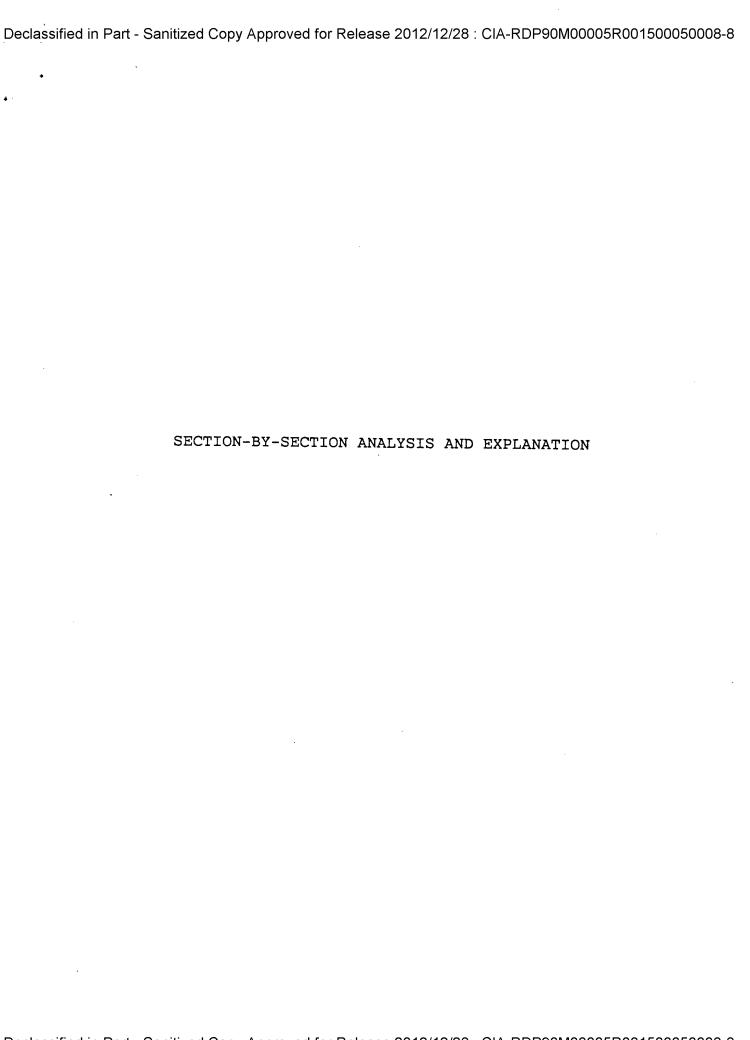
"(e) Any person who (1) is employed by the U. S. Army Russian Institute, and (2) has been so employed continuously for a period of not less than five years after a lawful admission for permanent residence, and (3) who files his petition for naturalization while so employed or within six months following the termination thereof, and (4) who is in the United States at the time of naturalization, and (5) who declares before the naturalization court in good faith an intention to take up residence within the United States immediately upon termination of such employment, may be naturalized upon compliance with all the requirements of this subsection except that no prior residence or specified period of physical presence within the United

States or any State or within the jurisdiction of the court, or proof thereof, shall be required."

- (b) The amendment made by this subsection shall be effective upon date of enactment.
- (C) The title of Section 1430 shall be amended to read:

"Section 1430. Married persons and employees of certain nonprofit organizations and the United States Army Russian Institute."

- (d) The table of section for Chapter 12, Subchapter III, Part II, § 1430 is amended to read:
 - " 1430. Married persons and employees of certain nonprofit organizations and the United States Army Russian Institute."



Subsection ____ adds new subsection (e) to Section 1430 of title 8 to allow members of the U. S. Army Russian Institute (USARI) staff who have defected or emigrated to the West to obtain U. S. citizenship while working at the school in Garmisch, Federal Republic of Germany. Section 1430 already allows several exceptions to the normal requirement of prior residence or physical presence within the United States for U. S. citizenship. The new subsection will allow members of the USARI staff to remain at the school to perform their teaching duties while at the same time accruing time towards U. S. citizenship. At the present time a majority of the staff at USARI are stateless. Because of the location of the school, employees are unable to fulfill the residency requirement for U.S. citizenship. As defectors and emigres, the employees are unable to receive any of the benefits and protections guaranteed by U.S. citizenship. Their unique situation, their dedication, and their invaluable contribution to the United States Government justify an exception to the statutory requirement. This section would also provide an incentive to qualified defectors and emgires to consider USARI as an employment alternative without forfeiting their right to apply for U.S. citizenship.

COST ANALYSIS

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Section : Enactment of this legislation will cause no apparent increase in the budgetary requirements of the Department of Defense.

CHANGES IN EXISTING LAW

NOTE: Where applicable, changes in existing law are shown as follows: existing law in which no change is proposed is shown in roman; existing law proposed to be struck is enclosed in brackets; new material is underscored.

Sec. _____. (a) Section 1430 of title 8,
United States Code, is amended by adding at the end
thereof the following new subsection.

"(e) Any person who (1) is employed by the U. S. Army Russian Institute, and (2) has been so employed continuously for a period of not less than five years after a lawful admission for permanent residence, and (3) who files his petition for naturalization while so employed or within six months following the termination thereof, and (4) who is in the United States at the time of naturalization, and (5) who declares before the naturalization court in good faith an intention to take up residence within the United States immediately upon termination of such employment, may be naturalized upon compliance with all the requirements of this subsection except that no prior residence or specified period of physical presence within the United States or any State or within the jurisdiction of the court, or proof thereof, shall be required.".

- (b) The amendment made by this subsection shall be effective upon date of enactment.
- (C) The title of Section 1430 shall be amended to read:
 - "§ 1430. Married persons and employees of certain nonprofit organizations and the United States Army Russian Institute.".
- (d) The table of section for Chapter 12, Subchapter III, Part II, § 1430 is amended to read:
 - "§ 1430. Married persons and employees of certain nonprofit organizations and the United States Army Russian Institute.".

PERMANENT SPECIAL TERMINATION

AUTHORITY FOR THE

SECRETARY OF DEFENSE

SEC. Paragraph 1590(e)(1) of Chapter 81 of title 10, United States Code, is amended by striking ", during fiscal year 1987,".

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	SECTION-BY-SECTION	ANALYSIS AND	EXPLANATION	

SEC. . amends paragraph 1590(e)(1) of Chapter 81 of title 10, United States Code, which was enacted as Section 504 of the Fiscal Year 1987 Intelligence Authorization Act, Public Law 99-569, 27 October 1986, by deleting the phrase ", during fiscal year 1987,". The operative effect of the deletion is to grant the Secretary of Defense permanent special termination authority with regard to any civilian intelligence officer or employee of a military department under the circumstances detailed in paragraph 1590(e)(1). Deletion of the phrase ", during Fiscal Year 1987," in paragraph 1590(e)(1) parallels action previously initiated by the Defense Intelligence Agency to grant permanent special termination authority to the Secretary of Defense vis-a-vis civilian officer or employee of the Defense Intelligence Agency by amending paragraph 1604(e)(1) of title 10. Parity alone between the DIA and the Military Services in managing their civilian intelligence personnel population dictates adoption of this proposal. It is hoped that the Secretary of Defense will never have to make use of this special termination authority; such authority will be invoked only as a last resort. Should an instance arise when it is necessary to invoke this authority, it will be too late to enact such a provision.

Enactment of this legislation will cause no apparent increase in the budgetary requirements of the Department of Defense.

CHANGES IN EXISTING LAW

NOTE: Where applicable, changes in existing law are shown as follows: existing law in which no change is proposed is shown in roman; existing law proposed to be struck is enclosed in brackets; new material is underscored.

SEC. _____. paragraph 1590(e)(1) of Chapter 81 of title 10, United States Code, is amended as follows:

"(e)(1) Notwithstanding any other provision of law the Secretary of Defense may [, during fiscal year 1987,] terminate the employment of any civilian intelligence officer or employee of a military department whenever he considers that action to be in the interest of the United States and he determines that the procedures prescribed in other provisions of law that authorize the termination of the employment of such officer or employee cannot be invoked in a manner consistent with the national security. The decisions of the Secretary under this paragraph are final and may not be appealed or reviewed outside the Department of Defense. The Secretary of Defense shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever termination authority is exercised."

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SECTION BY SECTION ANALYSIS AND EXPLANATION

CHANGES IN EXISTING LAW

NOTE: Where applicable Changes in existing law are shown as follows: existing law in which no change is proposed is shown in roman; existing law proposed to be struck is enclosed in brackets; new material is underscored.

SEC. (a) Section 1342, Chapter 13 of title 31, United States Code, is amended by adding at the end of the first sentence the following new sentence:

1342. Limitation on Voluntary Services

"An officer or employee of the United States Government or of the District of Columbia government may not accept voluntary services for either government or employ personal services exceeding that authorized by law except for emergencies involving the safety of human life or the protection of property. Notwithstanding the foregoing limitation on the employment of personal services, the Secretary of the Army is authorized to employ personal

services in order to provide instructors at

This section does not apply to a corporation getting amounts to make loans (except paid in capital amounts) without legal liability of the United States Government."

(b) The amendment shall be effective on October 1, 1989.

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AUTHORITY TO EMPLOY PERSONAL SERVICES

SEC.	(a) SEC. 1342, Chapter 13 of title 31, United
States Code	is amended by adding at the end of the first sentence
thereof the	following new sentence:

"Notwithstanding the foregoing limitation on the employment of personal services, the Secretary of the Army is authorized to employ personal services to provide instructors

(b) This amendment shall be effective on October 1, 1989.

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STAT SEC. . adds new language to Section 1342, Chapter 13 of title 31 to authorize the Secretary of the Army to employ personal services in order to hire instructors at the The Defense Intelligence Agency (DIA) is the executive agent within the Department of Defense (DOD) for all matters related to training STAT DOD personnel at In response to an expansion of courses, DIA has tasked Army to fill six new instructor STAT positions at In order to fill these positions, Army would be required to adopt one of three alternatives: pull officers from their duties in the field; attempt to hire the instructors as civil service annuitants; or hire the instructors by means of a Government contract. The first alternative is unacceptable operationally, as the personnel are far more urgently needed in the field. The second alternative is also unacceptable, as the likely pool of candidates is made up mainly of retired Government employees, civilian and military, and the salary that could be paid to them as annuitants is severely limited by statute. The salary limitation would make the position extremely unattractive. The final alternative is considered acceptable, but only if the instructors can be hired with a contract for personal services. It is necessary for Army to retain a high degree of flexibility in the assignment of duties to the instructors and to maintain the type of supervisory control that exists in an employer/employee relationship, a control found only in a personal service

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contract. This amendment will permit the Army to contract for

personal services for instructors at

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COST ANALYSIS

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SEC____. Enactment of this legislation will cause an estimated increase of \$150,000 per annum in the budgetary requirements of the Department of Defense. Actual costs will not be known until solicitations for the instructors are issued and contracts are negotiated.