

***In the Senate of the United States,***

*July 31 (legislative day, July 21), 2003.*

*Resolved*, That the bill from the House of Representatives (H.R. 2417) entitled “An Act to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.”, do pass with the following

**AMENDMENT:**

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

2 (a) *SHORT TITLE.*—*This Act may be cited as the “In-*

3 *telligence Authorization Act for Fiscal Year 2004”.*

1           (b) *TABLE OF CONTENTS.—The table of contents for*  
 2 *this Act is as follows:*

*Sec. 1. Short title; table of contents.*

*TITLE I—INTELLIGENCE ACTIVITIES*

*Sec. 101. Authorization of appropriations.*

*Sec. 102. Classified schedule of authorizations.*

*Sec. 103. Personnel ceiling adjustments.*

*Sec. 104. Intelligence Community Management Account.*

*Sec. 105. Incorporation of reporting requirements.*

*Sec. 106. Preparation and submittal of reports, reviews, studies, and plans relating to intelligence activities of Department of Defense or Department of Energy.*

*TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND  
 DISABILITY SYSTEM*

*Sec. 201. Authorization of appropriations.*

*TITLE III—GENERAL PROVISIONS*

*Subtitle A—Recurring General Provisions*

*Sec. 301. Increase in employee compensation and benefits authorized by law.*

*Sec. 302. Restriction on conduct of intelligence activities.*

*Subtitle B—Intelligence*

*Sec. 311. Modification of authority to obligate and expend certain funds for intelligence activities.*

*Sec. 312. Modification of notice and wait requirements on projects to construct or improve intelligence community facilities.*

*Sec. 313. Pilot program on analysis of signals and other intelligence by intelligence analysts of various elements of the intelligence community.*

*Sec. 314. Pilot program on training for intelligence analysts.*

*Sec. 315. Extension of National Commission for the Review of the Research and Development Programs of the United States Intelligence Community.*

*Sec. 316. Budget treatment of costs of acquisition of major systems by the intelligence community.*

*Subtitle C—Surveillance*

*Sec. 321. Clarification and modification of sunset of surveillance-related amendments made by USA PATRIOT ACT of 2001.*

*Subtitle D—Reports*

*Sec. 331. Report on cleared insider threat to classified computer networks.*

*Sec. 332. Report on security background investigations and security clearance procedures of the Federal Government.*

*Sec. 333. Report on detail of civilian intelligence personnel among elements of the intelligence community and the Department of Defense.*

- Sec. 334. *Report on modifications of policy and law on classified information to facilitate sharing of information for national security purposes.*
- Sec. 335. *Report of Secretary of Defense and Director of Central Intelligence on strategic planning.*
- Sec. 336. *Report on United States dependence on computer hardware and software manufactured overseas.*
- Sec. 337. *Report on lessons learned from military operations in Iraq.*
- Sec. 338. *Reports on conventional weapons and ammunition obtained by Iraq in violation of certain United Nations Security Council resolutions.*
- Sec. 339. *Repeal of certain report requirements relating to intelligence activities.*
- Sec. 340. *Report on operations of Directorate of Information Analysis and Infrastructure Protection and Terrorist Threat Integration Center.*

*Subtitle E—Other Matters*

- Sec. 351. *Extension of suspension of reorganization of Diplomatic Telecommunications Service Program Office.*
- Sec. 352. *Modifications of authorities on explosive materials.*
- Sec. 353. *Modification of prohibition on the naturalization of certain persons.*
- Sec. 354. *Modification to definition of financial institution in the Right to Financial Privacy Act.*
- Sec. 355. *Coordination of Federal Government research on security evaluations.*
- Sec. 356. *Technical amendments.*
- Sec. 357. *Treatment of classified information in money laundering cases.*

*TITLE IV—CENTRAL INTELLIGENCE AGENCY*

- Sec. 401. *Amendment to certain Central Intelligence Agency Act of 1949 notification requirements.*
- Sec. 402. *Protection of certain Central Intelligence Agency personnel from tort liability.*
- Sec. 403. *Repeal of obsolete limitation on use of funds in Central Services Working Capital Fund.*
- Sec. 404. *Technical amendment to Federal Information Security Management Act of 2002.*
- Sec. 405. *Contribution by Central Intelligence Agency employees of certain bonus pay to Thrift Savings Plan accounts.*

*TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS*

- Sec. 501. *Protection of operational files of the National Security Agency.*
- Sec. 502. *Protection of certain National Security Agency personnel from tort liability.*
- Sec. 503. *Use of funds for counterdrug and counterterrorism activities for Colombia.*
- Sec. 504. *Scene visualization technologies.*

1                   **TITLE I—INTELLIGENCE**  
 2                   **ACTIVITIES**

3   **SEC. 101. AUTHORIZATION OF APPROPRIATIONS.**

4           *Funds are hereby authorized to be appropriated for fis-*  
 5 *cal year 2004 for the conduct of the intelligence and intel-*

1 *ligence-related activities of the following elements of the*  
 2 *United States Government:*

3           (1) *The Central Intelligence Agency.*

4           (2) *The Department of Defense.*

5           (3) *The Defense Intelligence Agency.*

6           (4) *The National Security Agency.*

7           (5) *The Department of the Army, the Depart-*  
 8 *ment of the Navy, and the Department of the Air*  
 9 *Force.*

10          (6) *The Department of State.*

11          (7) *The Department of the Treasury.*

12          (8) *The Department of Energy.*

13          (9) *The Federal Bureau of Investigation.*

14          (10) *The National Reconnaissance Office.*

15          (11) *The National Imagery and Mapping Agen-*  
 16 *cy.*

17          (12) *The Coast Guard.*

18          (13) *The Department of Homeland Security.*

19 **SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.**

20          (a) *SPECIFICATIONS OF AMOUNTS AND PERSONNEL*

21 *CEILINGS.—The amounts authorized to be appropriated*

22 *under section 101, and the authorized personnel ceilings as*

23 *of September 30, 2004, for the conduct of the intelligence*

24 *and intelligence-related activities of the elements listed in*

25 *such section, are those specified in the classified Schedule*

1 *of Authorizations prepared to accompany the conference re-*  
2 *port on the bill \_\_\_\_\_ of the One Hundred Eighth Congress.*

3       **(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AU-**  
4 *THORIZATIONS.—The Schedule of Authorizations shall be*  
5 *made available to the Committees on Appropriations of the*  
6 *Senate and House of Representatives and to the President.*  
7 *The President shall provide for suitable distribution of the*  
8 *Schedule, or of appropriate portions of the Schedule, within*  
9 *the executive branch.*

10 **SEC. 103. PERSONNEL CEILING ADJUSTMENTS.**

11       **(a) AUTHORITY FOR ADJUSTMENTS.—***With the ap-*  
12 *proval of the Director of the Office of Management and*  
13 *Budget, the Director of Central Intelligence may authorize*  
14 *employment of civilian personnel in excess of the number*  
15 *authorized for fiscal year 2004 under section 102 when the*  
16 *Director of Central Intelligence determines that such action*  
17 *is necessary to the performance of important intelligence*  
18 *functions, except that the number of personnel employed in*  
19 *excess of the number authorized under such section may not,*  
20 *for any element of the intelligence community, exceed 2 per-*  
21 *cent of the number of civilian personnel authorized under*  
22 *such section for such element.*

23       **(b) NOTICE TO INTELLIGENCE COMMITTEES.—***The Di-*  
24 *rector of Central Intelligence shall promptly notify the Se-*  
25 *lect Committee on Intelligence of the Senate and the Perma-*

1 *ment Select Committee on Intelligence of the House of Rep-*  
2 *resentatives whenever the Director exercises the authority*  
3 *granted by this section.*

4 **SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT AC-**  
5 **COUNT.**

6 (a) *AUTHORIZATION OF APPROPRIATIONS.—There is*  
7 *authorized to be appropriated for the Intelligence Commu-*  
8 *nity Management Account of the Director of Central Intel-*  
9 *ligence for fiscal year 2004 the sum of \$198,390,000. Within*  
10 *such amount, funds identified in the classified Schedule of*  
11 *Authorizations referred to in section 102(a) for advanced*  
12 *research and development shall remain available until Sep-*  
13 *tember 30, 2005.*

14 (b) *AUTHORIZED PERSONNEL LEVELS.—The elements*  
15 *within the Intelligence Community Management Account of*  
16 *the Director of Central Intelligence are authorized 310 full-*  
17 *time personnel as of September 30, 2004. Personnel serving*  
18 *in such elements may be permanent employees of the Intel-*  
19 *ligence Community Management Account or personnel de-*  
20 *tailed from other elements of the United States Government.*

21 (c) *CLASSIFIED AUTHORIZATIONS.—*

22 (1) *AUTHORIZATION OF APPROPRIATIONS.—In*  
23 *addition to amounts authorized to be appropriated*  
24 *for the Intelligence Community Management Account*  
25 *by subsection (a), there are also authorized to be ap-*

1        *appropriated for the Intelligence Community Manage-*  
2        *ment Account for fiscal year 2004 such additional*  
3        *amounts as are specified in the classified Schedule of*  
4        *Authorizations referred to in section 102(a). Such ad-*  
5        *ditional amounts for research and development shall*  
6        *remain available until September 30, 2005.*

7            (2) *AUTHORIZATION OF PERSONNEL.—In addi-*  
8        *tion to the personnel authorized by subsection (b) for*  
9        *elements of the Intelligence Community Management*  
10       *Account as of September 30, 2004, there are also au-*  
11       *thorized such additional personnel for such elements*  
12       *as of that date as are specified in the classified Sched-*  
13       *ule of Authorizations.*

14        (d) *REIMBURSEMENT.—Except as provided in section*  
15       *113 of the National Security Act of 1947 (50 U.S.C. 404h),*  
16       *during fiscal year 2004 any officer or employee of the*  
17       *United States or a member of the Armed Forces who is de-*  
18       *tailed to the staff of the Intelligence Community Manage-*  
19       *ment Account from another element of the United States*  
20       *Government shall be detailed on a reimbursable basis, ex-*  
21       *cept that any such officer, employee, or member may be de-*  
22       *tailed on a nonreimbursable basis for a period of less than*  
23       *one year for the performance of temporary functions as re-*  
24       *quired by the Director of Central Intelligence.*

25        (e) *NATIONAL DRUG INTELLIGENCE CENTER.—*

1           (1) *IN GENERAL.*—Of the amount authorized to  
2           be appropriated in subsection (a), \$37,090,000 shall  
3           be available for the National Drug Intelligence Cen-  
4           ter. Within such amount, funds provided for research,  
5           development, testing, and evaluation purposes shall  
6           remain available until September 30, 2005, and funds  
7           provided for procurement purposes shall remain  
8           available until September 30, 2006.

9           (2) *TRANSFER OF FUNDS.*—The Director of Cen-  
10          tral Intelligence shall transfer to the Attorney General  
11          funds available for the National Drug Intelligence  
12          Center under paragraph (1). The Attorney General  
13          shall utilize funds so transferred for the activities of  
14          the National Drug Intelligence Center.

15          (3) *LIMITATION.*—Amounts available for the Na-  
16          tional Drug Intelligence Center may not be used in  
17          contravention of the provisions of section 103(d)(1) of  
18          the National Security Act of 1947 (50 U.S.C. 403–  
19          3(d)(1)).

20          (4) *AUTHORITY.*—Notwithstanding any other  
21          provision of law, the Attorney General shall retain  
22          full authority over the operations of the National  
23          Drug Intelligence Center.





1 *ment of Defense or the Department of Energy is prepared*  
2 *or conducted in consultation with the Secretary of Defense*  
3 *or the Secretary of Energy, as appropriate.*

4       (2) *The Secretary of Defense or the Secretary of En-*  
5 *ergy may carry out any consultation required by this sub-*  
6 *section through an official of the Department of Defense or*  
7 *the Department of Energy, as the case may be, designated*  
8 *by such Secretary for that purpose.*

9       (b) *SUBMITTAL.—Any report, review, study, or plan*  
10 *referred to in subsection (a) shall be submitted, in addition*  
11 *to any other committee of Congress specified for submittal*  
12 *in the provision concerned, to the following committees of*  
13 *Congress:*

14               (1) *The Committees on Armed Services and Ap-*  
15 *propriations and the Select Committee on Intelligence*  
16 *of the Senate.*

17               (2) *The Committees on Armed Services and Ap-*  
18 *propriations and the Permanent Select Committee on*  
19 *Intelligence of the House of Representatives.*

1 **TITLE II—CENTRAL INTEL-**  
2 **LIGENCE AGENCY RETIRE-**  
3 **MENT AND DISABILITY SYS-**  
4 **TEM**

5 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

6 *There is authorized to be appropriated for the Central*  
7 *Intelligence Agency Retirement and Disability Fund for fis-*  
8 *cal year 2004 the sum of \$226,400,000.*

9 **TITLE III—GENERAL**  
10 **PROVISIONS**  
11 **Subtitle A—Recurring General**  
12 **Provisions**

13 **SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND**  
14 **BENEFITS AUTHORIZED BY LAW.**

15 *Appropriations authorized by this Act for salary, pay,*  
16 *retirement, and other benefits for Federal employees may*  
17 *be increased by such additional or supplemental amounts*  
18 *as may be necessary for increases in such compensation or*  
19 *benefits authorized by law.*

20 **SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE**  
21 **ACTIVITIES.**

22 *The authorization of appropriations by this Act shall*  
23 *not be deemed to constitute authority for the conduct of any*  
24 *intelligence activity which is not otherwise authorized by*  
25 *the Constitution or the laws of the United States.*

1                   ***Subtitle B—Intelligence***

2   ***SEC. 311. MODIFICATION OF AUTHORITY TO OBLIGATE AND***  
3                   ***EXPEND CERTAIN FUNDS FOR INTELLIGENCE***  
4                   ***ACTIVITIES.***

5           *Section 504(a)(3) of the National Security Act of 1947*  
6   *(50 U.S.C. 414(a)(3)) is amended—*

7                   (1) *by inserting “and” at the end of subpara-*  
8                   *graph (A);*

9                   (2) *by striking subparagraph (B); and*

10                   (3) *by redesignating subparagraph (C) as sub-*  
11                   *paragraph (B).*

12   ***SEC. 312. MODIFICATION OF NOTICE AND WAIT REQUIRE-***  
13                   ***MENTS ON PROJECTS TO CONSTRUCT OR IM-***  
14                   ***PROVE INTELLIGENCE COMMUNITY FACILI-***  
15                   ***TIES.***

16           (1) *INCREASE OF THRESHOLDS FOR NOTICE.—Sub-*  
17   *section (a) of section 602 of the Intelligence Authorization*  
18   *Act for Fiscal Year 1995 (Public Law 103–359; 108 Stat.*  
19   *3432; 50 U.S.C. 403–2b(a)) is amended—*

20                   (1) *by striking “\$750,000” each place it appears*  
21                   *and inserting “\$5,000,000”; and*

22                   (2) *by striking “\$500,000” each place it appears*  
23                   *and inserting “\$1,000,000”.*

1       **(b) NOTICE AND WAIT REQUIREMENTS FOR EMER-**  
2 **GENCY PROJECTS.**—*Subsection (b)(2) of that section is*  
3 *amended—*

4           (1) *by redesignating subparagraphs (A), (B),*  
5 *and (C) as clauses (i), (ii), and (iii), respectively;*

6           (2) *by inserting “(A)” after “(2) REPORT.—”;*

7           (3) *by striking “21-day period” and inserting*  
8 *“7-day period”; and*

9           (4) *by adding at the end the following new sub-*  
10 *paragraph:*

11           “(B) *Notwithstanding subparagraph (A), a*  
12 *project referred to in paragraph (1) may begin on the*  
13 *date the notification is received by the appropriate*  
14 *committees of Congress under that paragraph if the*  
15 *Director of Central Intelligence and the Secretary of*  
16 *Defense jointly determine that—*

17                   “(i) *an emergency exists with respect to the*  
18 *national security or the protection of health,*  
19 *safety, or environmental quality; and*

20                   “(ii) *any delay in the commencement of the*  
21 *project would harm any or all of those inter-*  
22 *ests.”.*

1 **SEC. 313. PILOT PROGRAM ON ANALYSIS OF SIGNALS AND**  
2 **OTHER INTELLIGENCE BY INTELLIGENCE AN-**  
3 **ALYSTS OF VARIOUS ELEMENTS OF THE IN-**  
4 **TELLIGENCE COMMUNITY.**

5 (a) *IN GENERAL.*—*The Director of Central Intelligence*  
6 *shall, in coordination with the Secretary of Defense, carry*  
7 *out a pilot program to assess the feasibility and advis-*  
8 *ability of permitting intelligence analysts of various ele-*  
9 *ments of the intelligence community to access and analyze*  
10 *intelligence from the databases of other elements of the intel-*  
11 *ligence community in order to achieve the objectives set*  
12 *forth in subsection (c).*

13 (b) *COVERED INTELLIGENCE.*—*The intelligence to be*  
14 *analyzed under the pilot program under subsection (a) shall*  
15 *include the following:*

16 (1) *Signals intelligence of the National Security*  
17 *Agency.*

18 (2) *Such intelligence of other elements of the in-*  
19 *telligence community as the Director shall select for*  
20 *purposes of the pilot program.*

21 (c) *OBJECTIVES.*—*The objectives set forth in this sub-*  
22 *section are as follows:*

23 (1) *To enhance the capacity of the intelligence*  
24 *community to undertake so-called “all source fusion”*  
25 *analysis in support of the intelligence and intel-*  
26 *ligence-related missions of the intelligence community.*

1           (2) *To reduce, to the extent practicable, the*  
2           *amount of intelligence collected by the intelligence*  
3           *community that is not assessed, or reviewed, by intel-*  
4           *ligence analysts.*

5           (3) *To reduce the burdens imposed on analytical*  
6           *personnel of the elements of the intelligence commu-*  
7           *nity by current practices regarding the sharing of in-*  
8           *telligence among elements of the intelligence commu-*  
9           *nity.*

10          (d) *COMMENCEMENT.—The Director shall commence*  
11          *the pilot program under subsection (a) not later than De-*  
12          *cember 31, 2003.*

13          (e) *VARIOUS MECHANISMS REQUIRED.—In carrying*  
14          *out the pilot program under subsection (a), the Director*  
15          *shall develop and utilize various mechanisms to facilitate*  
16          *the access to, and the analysis of, intelligence in the data-*  
17          *bases of the intelligence community by intelligence analysts*  
18          *of other elements of the intelligence community, including*  
19          *the use of so-called “detailees in place”.*

20          (f) *SECURITY.—(1) In carrying out the pilot program*  
21          *under subsection (a), the Director shall take appropriate*  
22          *actions to protect against the disclosure and unauthorized*  
23          *use of intelligence in the databases of the elements of the*  
24          *intelligence community which may endanger sources and*

1 *methods which (as determined by the Director) warrant*  
2 *protection.*

3       (2) *The actions taken under paragraph (1) shall in-*  
4 *clude the provision of training on the accessing and han-*  
5 *dling of information in the databases of various elements*  
6 *of the intelligence community and the establishment of limi-*  
7 *tations on access to information in such databases to United*  
8 *States persons.*

9       (g) *ASSESSMENT.*—*Not later than February 1, 2004,*  
10 *after the commencement under subsection (d) of the pilot*  
11 *program under subsection (a), the Under Secretary of De-*  
12 *fense for Intelligence and the Assistant Director of Central*  
13 *Intelligence for Analysis and Production shall jointly carry*  
14 *out an assessment of the progress of the pilot program in*  
15 *meeting the objectives set forth in subsection (c).*

16       (h) *REPORT.*—(1) *The Director of Central Intelligence*  
17 *shall, in coordination with the Secretary of Defense, submit*  
18 *to the appropriate committees of Congress a report on the*  
19 *assessment carried out under subsection (g).*

20       (2) *The report shall include—*

21               (A) *a description of the pilot program under*  
22 *subsection (a);*

23               (B) *the findings of the Under Secretary and As-*  
24 *stant Director as a result of the assessment;*



1           (C) any recommendations regarding the pilot  
2           program that the Under Secretary and the Assistant  
3           Director jointly consider appropriate in light of the  
4           assessment; and

5           (D) any recommendations that the Director and  
6           Secretary consider appropriate for purposes of the re-  
7           port.

8           (i) *APPROPRIATE COMMITTEES OF CONGRESS DE-*  
9           *FINED.*—*In this section, the term “appropriate committees*  
10          *of Congress” means—*

11           (1) *the Select Committee on Intelligence, the*  
12          *Committee on Armed Services, and the Committee on*  
13          *Appropriations of the Senate; and*

14           (2) *the Permanent Select Committee on Intel-*  
15          *ligence, the Committee on Armed Services, and the*  
16          *Committee on Appropriations of the House of Rep-*  
17          *resentatives.*

18          **SEC. 314. PILOT PROGRAM ON TRAINING FOR INTEL-**  
19          **LIGENCE ANALYSTS.**

20          (a) *PILOT PROGRAM REQUIRED.*—(1) *The Director of*  
21          *Central Intelligence shall carry out a pilot program to as-*  
22          *sess the feasibility and advisability of providing for the*  
23          *preparation of selected students for availability for employ-*  
24          *ment as intelligence analysts for the intelligence and intel-*  
25          *ligence-related activities of the United States through a*

1 *training program similar to the Reserve Officers' Training*  
2 *Corps programs of the Department of Defense.*

3 (2) *The pilot program shall be known as the Intel-*  
4 *ligence Community Analyst Training Program.*

5 (b) *ELEMENTS.—In carrying out the pilot program*  
6 *under subsection (a), the Director shall establish and main-*  
7 *tain one or more cadres of students who—*

8 (1) *participate in such training as intelligence*  
9 *analysts as the Director considers appropriate; and*

10 (2) *upon completion of such training, are avail-*  
11 *able for employment as intelligence analysts under*  
12 *such terms and conditions as the Director considers*  
13 *appropriate.*

14 (c) *DURATION.—The Director shall carry out the pilot*  
15 *program under subsection (a) during fiscal years 2004*  
16 *through 2006.*

17 (d) *LIMITATION ON NUMBER OF MEMBERS DURING*  
18 *FISCAL YEAR 2004.—The total number of individuals par-*  
19 *ticipating in the pilot program under subsection (a) during*  
20 *fiscal year 2004 may not exceed 150 students.*

21 (e) *RESPONSIBILITY.—The Director shall carry out the*  
22 *pilot program under subsection (a) through the Assistant*  
23 *Director of Central Intelligence for Analysis and Produc-*  
24 *tion.*

1       (f) *REPORTS.*—(1) *Not later than 120 days after the*  
2 *date of the enactment of this Act, the Director shall submit*  
3 *to Congress a preliminary report on the pilot program*  
4 *under subsection (a), including a description of the pilot*  
5 *program and the authorities to be utilized in carrying out*  
6 *the pilot program.*

7       (2) *Not later than one year after the commencement*  
8 *of the pilot program, the Director shall submit to Congress*  
9 *a report on the pilot program. The report shall include—*

10           (A) *a description of the activities under the pilot*  
11 *program, including the number of individuals who*  
12 *participated in the pilot program and the training*  
13 *provided such individuals under the pilot program;*

14           (B) *an assessment of the effectiveness of the pilot*  
15 *program in meeting the purpose of the pilot program;*  
16 *and*

17           (C) *any recommendations for additional legisla-*  
18 *tive or administrative action that the Director con-*  
19 *siders appropriate in light of the pilot program.*

20       (g) *FUNDING.*—*Of the amounts authorized to be appro-*  
21 *priated by this Act, \$8,000,000 shall be available in fiscal*  
22 *year 2004 to carry out this section.*

1 **SEC. 315. EXTENSION OF NATIONAL COMMISSION FOR THE**  
2 **REVIEW OF THE RESEARCH AND DEVELOP-**  
3 **MENT PROGRAMS OF THE UNITED STATES IN-**  
4 **TELLIGENCE COMMUNITY.**

5 *Section 1007(a) of the Intelligence Authorization Act*  
6 *for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2442;*  
7 *50 U.S.C. 401 note) is amended by striking “September 1,*  
8 *2003,” and inserting “September 1, 2004.”*

9 **SEC. 316. BUDGET TREATMENT OF COSTS OF ACQUISITION**  
10 **OF MAJOR SYSTEMS BY THE INTELLIGENCE**  
11 **COMMUNITY.**

12 *(a) FINDINGS.—Congress makes the following findings:*

13 *(1) Funds within the National Foreign Intel-*  
14 *ligence Program often must be shifted from program*  
15 *to program and from fiscal year to fiscal year to ad-*  
16 *dress funding shortfalls caused by significant in-*  
17 *creases in the costs of acquisition of major systems by*  
18 *the intelligence community.*

19 *(2) While some increases in the costs of acquisi-*  
20 *tion of major systems by the intelligence community*  
21 *are unavoidable, the magnitude of growth in the costs*  
22 *of acquisition of many major systems indicates a sys-*  
23 *temic bias within the intelligence community to un-*  
24 *derestimate the costs of such acquisition, particularly*  
25 *in the preliminary stages of development and produc-*  
26 *tion.*

1           (3) *Decisions by Congress to fund the acquisition*  
2 *of major systems by the intelligence community rely*  
3 *significantly upon initial estimates of the afford-*  
4 *ability of acquiring such major systems and occur*  
5 *within a context in which funds can be allocated for*  
6 *a variety of alternative programs. Thus, substantial*  
7 *increases in costs of acquisition of major systems*  
8 *place significant burdens on the availability of funds*  
9 *for other programs and new proposals within the Na-*  
10 *tional Foreign Intelligence Program.*

11           (4) *Independent cost estimates, prepared by*  
12 *independent offices, have historically represented a*  
13 *more accurate projection of the costs of acquisition of*  
14 *major systems.*

15           (5) *Recognizing the benefits associated with inde-*  
16 *pendent cost estimates for the acquisition of major*  
17 *systems, the Secretary of Defense has built upon the*  
18 *statutory requirement in section 2434 of title 10,*  
19 *United States Code, to develop and consider inde-*  
20 *pendent cost estimates for the acquisition of such sys-*  
21 *tems by mandating the use of such estimates in budg-*  
22 *et requests of the Department of Defense.*

23           (6) *The mandatory use throughout the intel-*  
24 *ligence community of independent cost estimates for*  
25 *the acquisition of major systems will assist the Presi-*

1        *dent and Congress in the development and funding of*  
2        *budgets which more accurately reflect the require-*  
3        *ments and priorities of the United States Government*  
4        *for intelligence and intelligence-related activities.*

5        *(b) BUDGET TREATMENT OF COSTS OF ACQUISITION*  
6        *OF MAJOR SYSTEMS.—Title V of the National Security Act*  
7        *of 1947 (50 U.S.C. 413 et seq.) is amended by inserting*  
8        *after section 506 the following new section:*

9        *“BUDGET TREATMENT OF COSTS OF ACQUISITION OF*  
10        *MAJOR SYSTEMS BY THE INTELLIGENCE COMMUNITY*

11        *“SEC. 506A. (a) INDEPENDENT COST ESTIMATES.—*  
12        *(1) The Director of Central Intelligence shall, in consulta-*  
13        *tion with the head of each element of the intelligence com-*  
14        *munity concerned, prepare an independent cost estimate of*  
15        *the full life-cycle cost of development, procurement, and op-*  
16        *eration of each major system to be acquired by the intel-*  
17        *ligence community.*

18        *“(2) Each independent cost estimate for a major sys-*  
19        *tem shall, to the maximum extent practicable, specify the*  
20        *amount required to be appropriated and obligated to de-*  
21        *velop, procure, and operate the major system in each fiscal*  
22        *year of the proposed period of development, procurement,*  
23        *and operation of the major system.*

24        *“(3)(A) In the case of a program of the intelligence*  
25        *community that qualifies as a major system, an inde-*  
26        *pendent cost estimate shall be prepared before the submis-*

1 sion to Congress of the budget of the President for the first  
2 fiscal year in which appropriated funds are anticipated to  
3 be obligated for the development or procurement of such  
4 major system.

5       “(B) In the case of a program of the intelligence com-  
6 munity for which an independent cost estimate was not pre-  
7 viously required to be prepared under this section, includ-  
8 ing a program for which development or procurement com-  
9 menced before the date of the enactment of the Intelligence  
10 Authorization Act for Fiscal Year 2004, if the aggregate fu-  
11 ture costs of development or procurement (or any combina-  
12 tion of such activities) of the program will exceed  
13 \$500,000,000 (in current fiscal year dollars), the program  
14 shall qualify as a major system for purposes of this section,  
15 and an independent cost estimate for such major system  
16 shall be prepared before the submission to Congress of the  
17 budget of the President for the first fiscal year thereafter  
18 in which appropriated funds are anticipated to be obligated  
19 for such major system.

20       “(4) The independent cost estimate for a major system  
21 shall be updated upon—

22               “(A) the completion of any preliminary design  
23 review associated with the major system;

24               “(B) any significant modification to the antici-  
25 pated design of the major system; or

1           “(C) any change in circumstances that renders  
2           the current independent cost estimate for the major  
3           system inaccurate.

4           “(5) Any update of an independent cost estimate for  
5           a major system under paragraph (4) shall meet all require-  
6           ments for independent cost estimates under this section, and  
7           shall be treated as the most current independent cost esti-  
8           mate for the major system until further updated under that  
9           paragraph.

10          “(b) PREPARATION OF INDEPENDENT COST ESTI-  
11          MATES.—(1) The Director shall establish within the Office  
12          of the Deputy Director of Central Intelligence for Commu-  
13          nity Management an office which shall be responsible for  
14          preparing independent cost estimates, and any updates  
15          thereof, under subsection (a), unless a designation is made  
16          under paragraph (2).

17          “(2) In the case of the acquisition of a major system  
18          for an element of the intelligence community within the De-  
19          partment of Defense, the Director and the Secretary of De-  
20          fense shall provide that the independent cost estimate, and  
21          any updates thereof, under subsection (a) be prepared by  
22          an entity jointly designated by the Director and the Sec-  
23          retary in accordance with section 2434(b)(1)(A) of title 10,  
24          United States Code.



1           “(c) *UTILIZATION IN BUDGETS OF PRESIDENT.*—If the  
2 budget of the President requests appropriations for any fis-  
3 cal year for the development or procurement of a major sys-  
4 tem by the intelligence community, the President shall re-  
5 quest in such budget an amount of appropriations for the  
6 development or procurement, as the case may be, of the  
7 major system that is equivalent to the amount of appropria-  
8 tions identified in the most current independent cost esti-  
9 mate for the major system for obligation for each fiscal year  
10 for which appropriations are requested for the major system  
11 in such budget.

12           “(d) *INCLUSION OF ESTIMATES IN BUDGET JUS-*  
13 *TIFICATION MATERIALS.*—The budget justification mate-  
14 rials submitted to Congress in support of the budget of the  
15 President shall include the most current independent cost  
16 estimate under this section for each major system for which  
17 appropriations are requested in such budget for any fiscal  
18 year.

19           “(e) *DEFINITIONS.*—In this section:

20                   “(1) The term ‘budget of the President’ means  
21 the budget of the President for a fiscal year as sub-  
22 mitted to Congress under section 1105(a) of title 31,  
23 United States Code.

24                   “(2) The term ‘independent cost estimate’ means  
25 a pragmatic and neutral analysis, assessment, and

1       *quantification of all costs and risks associated with*  
2       *the acquisition of a major system, which shall be*  
3       *based on programmatic and technical specifications*  
4       *provided by the office within the element of the intel-*  
5       *ligence community with primary responsibility for*  
6       *the development, procurement, or operation of the*  
7       *major system.*

8               *“(3) The term ‘major system’ means any signifi-*  
9       *cant program of an element of the intelligence com-*  
10       *munity with projected total development and procure-*  
11       *ment costs exceeding \$500,000,000 (in current fiscal*  
12       *year dollars), which costs shall include all end-to-end*  
13       *program costs, including costs associated with the de-*  
14       *velopment and procurement of the program and any*  
15       *other costs associated with the development and pro-*  
16       *curement of systems required to support or utilize the*  
17       *program.”.*

18       *(c) CLERICAL AMENDMENT.—The table of contents for*  
19       *the National Security Act of 1947 is amended by inserting*  
20       *after the item relating to section 506 the following new item:*

*“Sec. 506A. Budget treatment of costs of acquisition of major systems by the intel-*  
          *ligence community.”.*

## **Subtitle C—Surveillance**

**SEC. 321. CLARIFICATION AND MODIFICATION OF SUNSET  
OF SURVEILLANCE-RELATED AMENDMENTS  
MADE BY USA PATRIOT ACT OF 2001.**

(a) *CLARIFICATION.*—Section 224 of the USA PATRIOT ACT of 2001 (Public Law 107–56; 115 Stat. 295) is amended by adding at the end the following new subsection:

“(c) *EFFECT OF SUNSET.*—Effective on December 31, 2005, each provision of law the amendment of which is sunset by subsection (a) shall be revived so as to be in effect as such provision of law was in effect on October 25, 2001.”.

(b) *MODIFICATION.*—Subsection (a) of that section is amended by inserting “204,” after “203(c),”.

## **Subtitle D—Reports**

**SEC. 331. REPORT ON CLEARED INSIDER THREAT TO CLASSIFIED COMPUTER NETWORKS.**

(a) *REPORT REQUIRED.*—The Director of Central Intelligence and the Secretary of Defense shall jointly submit to the appropriate committees of Congress a report on the risks to the national security of the United States of the current computer security practices of the elements of the intelligence community and of the Department of Defense.

(b) *ASSESSMENTS.*—The report under subsection (a) shall include an assessment of the following:

1           (1) *The vulnerability of the computers and com-*  
2 *puter systems of the elements of the intelligence com-*  
3 *munity, and of the Department of Defense, to various*  
4 *threats from foreign governments, international ter-*  
5 *rorist organizations, and organized crime, including*  
6 *information warfare (IW), Information Operations*  
7 *(IO), Computer Network Exploitation (CNE), and*  
8 *Computer Network Attack (CNA).*

9           (2) *The risks of providing users of local area net-*  
10 *works (LANs) or wide-area networks (WANs) of com-*  
11 *puters that include classified information with capa-*  
12 *bilities for electronic mail, upload and download, or*  
13 *removable storage media without also deploying com-*  
14 *prehensive computer firewalls, accountability proce-*  
15 *dures, or other appropriate security controls.*

16           (3) *Any other matters that the Director and the*  
17 *Secretary jointly consider appropriate for purposes of*  
18 *the report.*

19           (c) *INFORMATION ON ACCESS TO NETWORKS.—The re-*  
20 *port under subsection (a) shall also include information as*  
21 *follows:*

22           (1) *An estimate of the number of access points*  
23 *on each classified computer or computer system of an*  
24 *element of the intelligence community or the Depart-*  
25 *ment of Defense that permit unsupervised uploading*

1       or downloading of classified information, set forth by  
2       level of classification.

3               (2) *An estimate of the number of individuals uti-*  
4       *lizing such computers or computer systems who have*  
5       *access to input-output devices on such computers or*  
6       *computer systems.*

7               (3) *A description of the policies and procedures*  
8       *governing the security of the access points referred to*  
9       *in paragraph (1), and an assessment of the adequacy*  
10       *of such policies and procedures.*

11              (4) *An assessment of viability of utilizing other*  
12       *technologies (including so-called “thin client servers”)*  
13       *to achieve enhanced security of such computers and*  
14       *computer systems through more rigorous control of ac-*  
15       *cess to such computers and computer systems.*

16       (d) *RECOMMENDATIONS.*—*The report under subsection*  
17       *(a) shall also include such recommendations for modifica-*  
18       *tions or improvements of the current computer security*  
19       *practices of the elements of the intelligence community, and*  
20       *of the Department of Defense, as the Director and the Sec-*  
21       *retary jointly consider appropriate as a result of the assess-*  
22       *ments under subsection (b) and the information under sub-*  
23       *section (c).*

24       (e) *SUBMITTAL DATE.*—*The report under subsection*  
25       *(a) shall be submitted not later than February 15, 2004.*

1       (f) *FORM.*—*The report under subsection (a) may be*  
2 *submitted in classified or unclassified form, at the election*  
3 *of the Director.*

4       (g) *DEFINITIONS.*—*In this section:*

5           (1) *The term “appropriate committees of Con-*  
6 *gress” means—*

7               (A) *the Select Committee on Intelligence*  
8 *and the Committee on Armed Services of the*  
9 *Senate; and*

10              (B) *the Permanent Select Committee on In-*  
11 *telligence and the Committee on Armed Services*  
12 *of the House of Representatives.*

13           (2) *The term “elements of the intelligence com-*  
14 *munity” means the elements of the intelligence com-*  
15 *munity set forth in or designated under section 3(4)*  
16 *of the National Security Act of 1947 (50 U.S.C.*  
17 *401a(4)).*

18 **SEC. 332. REPORT ON SECURITY BACKGROUND INVESTIGA-**  
19 **TIONS AND SECURITY CLEARANCE PROCE-**  
20 **DURES OF THE FEDERAL GOVERNMENT.**

21       (a) *REPORT REQUIRED.*—*The Director of Central In-*  
22 *telligence and the Secretary of Defense shall jointly submit*  
23 *to the appropriate committees of Congress a report on the*  
24 *utility and effectiveness of the current security background*  
25 *investigations and security clearance procedures of the Fed-*

1 eral Government in meeting the purposes of such investiga-  
2 tions and procedures.

3 (b) *PARTICULAR REPORT MATTERS.*—In preparing  
4 the report, the Director and the Secretary shall address in  
5 particular the following:

6 (1) *A comparison of the costs and benefits of con-*  
7 *ducting background investigations for Secret clear-*  
8 *ance with the costs and benefits of conducting full*  
9 *field background investigations.*

10 (2) *The standards governing the revocation of se-*  
11 *curity clearances.*

12 (c) *RECOMMENDATIONS.*—The report under subsection  
13 (a) shall include such recommendations for modifications  
14 or improvements of the current security background inves-  
15 tigation or security clearance procedures of the Federal  
16 Government as the Director and the Secretary jointly con-  
17 sider appropriate as a result of the preparation of the re-  
18 port under that subsection.

19 (d) *SUBMITTAL DATE.*—The report under subsection  
20 (a) shall be submitted not later than February 15, 2004.

21 (e) *APPROPRIATE COMMITTEES OF CONGRESS DE-*  
22 *FINED.*—In this section, the term “appropriate committees  
23 of Congress” means—

1           (1) *the Select Committee on Intelligence and the*  
2           *Committees on Armed Services and the Judiciary of*  
3           *the Senate; and*

4           (2) *the Permanent Select Committee on Intel-*  
5           *ligence and the Committees on Armed Services and*  
6           *the Judiciary of the House of Representatives.*

7 **SEC. 333. REPORT ON DETAIL OF CIVILIAN INTELLIGENCE**  
8                           **PERSONNEL AMONG ELEMENTS OF THE IN-**  
9                           **TELLIGENCE COMMUNITY AND THE DEPART-**  
10                          **MENT OF DEFENSE.**

11           (a) *REPORT REQUIRED.*—*The Director of Central In-*  
12 *telligence shall, in consultation with the heads of the ele-*  
13 *ments of the intelligence community, submit to the appro-*  
14 *priate committees of Congress a report on means of improv-*  
15 *ing the detail or transfer of civilian intelligence personnel*  
16 *between and among the various elements of the intelligence*  
17 *community for the purpose of enhancing the flexibility and*  
18 *effectiveness of the intelligence community in responding to*  
19 *changes in requirements for the collection, analysis, and*  
20 *dissemination of intelligence.*

21           (b) *REPORT ELEMENTS.*—*The report under subsection*  
22 *(a) shall—*

23                   (1) *set forth a variety of proposals on means of*  
24                   *improving the detail or transfer of civilian intel-*  
25                   *ligence personnel as described in that subsection;*



1           (2) *identify the proposal or proposals determined*  
2           *by the heads of the elements of the intelligence com-*  
3           *munity to be most likely to meet the purpose described*  
4           *in that subsection; and*

5           (3) *include such recommendations for such legis-*  
6           *lative or administrative action as the heads of the ele-*  
7           *ments of the intelligence community consider appro-*  
8           *priate to implement the proposal or proposals identi-*  
9           *fied under paragraph (2).*

10          (c) *SUBMITTAL DATE.*—*The report under subsection*  
11 (a) *shall be submitted not later than February 15, 2004.*

12          (d) *DEFINITIONS.*—*In this section:*

13           (1) *The term “appropriate committees of Con-*  
14           *gress” means—*

15           (A) *the Select Committee on Intelligence*  
16           *and the Committees on Armed Services and the*  
17           *Judiciary of the Senate; and*

18           (B) *the Permanent Select Committee on In-*  
19           *telligence and the Committees on Armed Services*  
20           *and the Judiciary of the House of Representa-*  
21           *tives.*

22           (2) *The term “elements of the intelligence com-*  
23           *munity” means the elements of the intelligence com-*  
24           *munity set forth in or designated under section 3(4)*

1       of the National Security Act of 1947 (50 U.S.C.  
2       401a(4)).

3               (3) The term “heads of the elements of the intel-  
4       ligence community” includes the Secretary of Defense  
5       with respect to each element of the intelligence com-  
6       munity within the Department of Defense or the mili-  
7       tary departments.

8       **SEC. 334. REPORT ON MODIFICATIONS OF POLICY AND LAW**  
9                       **ON CLASSIFIED INFORMATION TO FACILI-**  
10                      **TATE SHARING OF INFORMATION FOR NA-**  
11                      **TIONAL SECURITY PURPOSES.**

12       (a) *REPORT.*—Not later than four months after the  
13       date of the enactment of this Act, the President shall submit  
14       to the appropriate committees of Congress a report that—

15               (1) identifies impediments in current policy and  
16       regulations to the sharing of classified information  
17       horizontally across and among Federal departments  
18       and agencies, and between Federal departments and  
19       agencies and vertically to and from agencies of State  
20       and local governments and the private sector, for na-  
21       tional security purposes, including homeland security;

22               (2) proposes appropriate modifications of policy,  
23       law, and regulations to eliminate such impediments  
24       in order to facilitate such sharing of classified infor-

1        *mation for homeland security purposes, including*  
2        *homeland security; and*

3            (3) *outlines a plan of action (including appro-*  
4        *propriate milestones and funding) to establish the Ter-*  
5        *rorist Threat Integration Center as called for in the*  
6        *Information on the State of the Union given by the*  
7        *President to Congress under section 3 of Article II of*  
8        *the Constitution of the United States in 2003.*

9        (b) *CONSIDERATIONS.—In preparing the report under*  
10       *subsection (a), the President shall—*

11            (1) *consider the extent to which the reliance on*  
12        *a document-based approach to the protection of classi-*  
13        *fied information impedes the sharing of classified in-*  
14        *formation; and*

15            (2) *consider the extent to which the utilization of*  
16        *a database-based approach, or other electronic ap-*  
17        *proach, to the protection of classified information*  
18        *might facilitate the sharing of classified information.*

19        (c) *COORDINATION WITH OTHER INFORMATION SHAR-*  
20        *ING ACTIVITIES.—In preparing the report under subsection*  
21        *(a), the President shall, to the maximum extent practicable,*  
22        *take into account actions being undertaken under the*  
23        *Homeland Security Information Sharing Act (subtitle I of*  
24        *title VIII of Public Law 107–296; 116 Stat. 2252; 6 U.S.C.*  
25        *481 et seq.).*

1       (d) *APPROPRIATE COMMITTEES OF CONGRESS DE-*  
2 *FINED.*—*In this section, the term “appropriate committees*  
3 *of Congress” means—*

4           (1) *the Select Committee on Intelligence and the*  
5 *Committees on Armed Services and the Judiciary of*  
6 *the Senate; and*

7           (2) *the Permanent Select Committee on Intel-*  
8 *ligence, the Select Committee on Homeland Security,*  
9 *and the Committees on Armed Services and the Judi-*  
10 *ciary of the House of Representatives.*

11 **SEC. 335. REPORT OF SECRETARY OF DEFENSE AND DIREC-**  
12 **TOR OF CENTRAL INTELLIGENCE ON STRA-**  
13 **TEGIC PLANNING.**

14       (a) *REPORT.*—*Not later than February 15, 2004, the*  
15 *Secretary of Defense and the Director of Central Intelligence*  
16 *shall jointly submit to the appropriate committees of Con-*  
17 *gress a report that assesses progress in the following:*

18           (1) *The development by the Department of De-*  
19 *fense and the intelligence community of a comprehen-*  
20 *sive and uniform analytical capability to assess the*  
21 *utility and advisability of various sensor and plat-*  
22 *form architectures and capabilities for the collection*  
23 *of intelligence.*

1           (2) *The improvement of coordination between the*  
 2           *Department and the intelligence community on stra-*  
 3           *tegic and budgetary planning.*

4           (b) *FORM.*—*The report under subsection (a) may be*  
 5           *submitted in classified form.*

6           (c) *APPROPRIATE COMMITTEES OF CONGRESS DE-*  
 7           *FINED.*—*In this section, the term “appropriate committees*  
 8           *of Congress” means—*

9                   (1) *the Select Committee on Intelligence and the*  
 10            *Committee on Armed Services of the Senate; and*

11                   (2) *the Permanent Select Committee on Intel-*  
 12            *ligence and the Committee on Armed Services of the*  
 13            *House of Representatives.*

14   **SEC. 336. REPORT ON UNITED STATES DEPENDENCE ON**  
 15                   **COMPUTER HARDWARE AND SOFTWARE MAN-**  
 16                   **UFACTURED OVERSEAS.**

17           (a) *REPORT.*—*Not later than February 15, 2004, the*  
 18            *Director of Central Intelligence shall submit to the appro-*  
 19            *priate committees of Congress a report on the extent of*  
 20            *United States dependence on computer hardware or soft-*  
 21            *ware that is manufactured overseas.*

22           (b) *ELEMENTS.*—*The report under subsection (a) shall*  
 23            *address the following:*

1           (1) *The extent to which the United States cur-*  
2           *rently depends on computer hardware or software*  
3           *that is manufactured overseas.*

4           (2) *The extent to which United States depend-*  
5           *ence on such computer hardware or software is in-*  
6           *creasing.*

7           (3) *The vulnerabilities of the national security*  
8           *and economy of the United States as a result of*  
9           *United States dependence on such computer hardware*  
10          *or software.*

11          (4) *Any other matters relating to United States*  
12          *dependence on such computer hardware or software*  
13          *that the Director considers appropriate.*

14          (c) *CONSULTATION WITH PRIVATE SECTOR.*—*In pre-*  
15          *paring the report under subsection (a), the Director may*  
16          *consult, and is encouraged to consult, with appropriate per-*  
17          *sons and entities in the computer hardware or software in-*  
18          *dustry and with other appropriate persons and entities in*  
19          *the private sector.*

20          (d) *FORM.*—(1) *The report under subsection (a) shall*  
21          *be submitted in unclassified form, but may include a classi-*  
22          *fied annex.*

23          (2) *The report may be in the form of a National Intel-*  
24          *ligence Estimate.*

1       (e) *APPROPRIATE COMMITTEES OF CONGRESS DE-*  
2 *FINED.*—*In this section, the term “appropriate committees*  
3 *of Congress” means—*

4           (1) *the Select Committee on Intelligence and the*  
5 *Committee on Armed Services of the Senate; and*

6           (2) *the Permanent Select Committee on Intel-*  
7 *ligence and the Committee on Armed Services of the*  
8 *House of Representatives.*

9 **SEC. 337. REPORT ON LESSONS LEARNED FROM MILITARY**  
10 **OPERATIONS IN IRAQ.**

11       (a) *REPORT.*—*Not later than one year after the date*  
12 *of the enactment of this Act, the Director of Central Intel-*  
13 *ligence shall submit to the appropriate committees of Con-*  
14 *gress a report on the intelligence lessons learned as a result*  
15 *of Operation Iraqi Freedom.*

16       (b) *RECOMMENDATIONS.*—*The report under subsection*  
17 *(a) shall include such recommendations on means of im-*  
18 *proving training, equipment, operations, coordination, and*  
19 *collection of or for intelligence as the Director considers ap-*  
20 *propriate.*

21       (c) *FORM.*—*The report under subsection (a) shall be*  
22 *submitted in classified form.*

23       (d) *APPROPRIATE COMMITTEES OF CONGRESS DE-*  
24 *FINED.*—*In this section, the term “appropriate committees*  
25 *of Congress” means—*

1           (1) *the Select Committee on Intelligence and the*  
2           *Committee on Armed Services of the Senate; and*

3           (2) *the Permanent Select Committee on Intel-*  
4           *ligence and the Committee on Armed Services of the*  
5           *House of Representatives.*

6 **SEC. 338. REPORTS ON CONVENTIONAL WEAPONS AND AM-**  
7                                   **MUNITION OBTAINED BY IRAQ IN VIOLATION**  
8                                   **OF CERTAIN UNITED NATIONS SECURITY**  
9                                   **COUNCIL RESOLUTIONS.**

10           (a) *PRELIMINARY REPORT.*—*Not later than 120 days*  
11 *after the date of the cessation of hostilities in Iraq (as deter-*  
12 *mined by the President), the Director of the Defense Intel-*  
13 *ligence Agency shall, after such consultation with the Sec-*  
14 *retary of State and the Attorney General as the Director*  
15 *considers appropriate, submit to the appropriate commit-*  
16 *tees of Congress a preliminary report on all information*  
17 *obtained by the Department of Defense and the intelligence*  
18 *community on the conventional weapons and ammunition*  
19 *obtained by Iraq in violation of applicable resolutions of*  
20 *the United Nations Security Council adopted since the in-*  
21 *vasion of Kuwait by Iraq in August 1990.*

22           (b) *FINAL REPORT.*—(1) *Not later than 270 days after*  
23 *the date of the cessation of hostilities in Iraq (as so deter-*  
24 *mined), the Director shall submit to the appropriate com-*



1 *mittees of Congress a final report on the information de-*  
2 *scribed in subsection (a).*

3       (2) *The final report under paragraph (1) shall include*  
4 *such updates of the preliminary report under subsection (a)*  
5 *as the Director considers appropriate.*

6       (c) *ELEMENTS.—Each report under this section shall*  
7 *set forth, to the extent practicable, with respect to each ship-*  
8 *ment of weapons or ammunition addressed in such report*  
9 *the following:*

10           (1) *The country of origin.*

11           (2) *Any country of transshipment.*

12       (d) *FORM.—Each report under this section shall be*  
13 *submitted in unclassified form, but may include a classified*  
14 *annex.*

15       (e) *APPROPRIATE COMMITTEES OF CONGRESS DE-*  
16 *FINED.—In this section, the term “appropriate committees*  
17 *of Congress” means—*

18           (1) *the Select Committee on Intelligence and the*  
19 *Committees on Armed Services and Foreign Relations*  
20 *of the Senate; and*

21           (2) *the Permanent Select Committee on Intel-*  
22 *ligence and the Committees on Armed Services and*  
23 *International Relations of the House of Representa-*  
24 *tives.*

1 **SEC. 339. REPEAL OF CERTAIN REPORT REQUIREMENTS RE-**  
2 **LATING TO INTELLIGENCE ACTIVITIES.**

3 (a) *ANNUAL EVALUATION OF PERFORMANCE AND RE-*  
4 *SPONSIVENESS OF INTELLIGENCE COMMUNITY.*—Section  
5 *105 of the National Security Act of 1947 (50 U.S.C. 403–*  
6 *5) is amended by striking subsection (d).*

7 (b) *PERIODIC AND SPECIAL REPORTS ON DISCLOSURE*  
8 *OF INTELLIGENCE INFORMATION TO UNITED NATIONS.*—  
9 *Section 112 of the National Security Act of 1947 (50 U.S.C.*  
10 *404g) is amended—*

11 (1) *by striking subsection (b); and*

12 (2) *by redesignating subsections (c), (d), and (e)*  
13 *as subsections (b), (c), and (d), respectively.*

14 (c) *ANNUAL REPORT ON INTELLIGENCE COMMUNITY*  
15 *COOPERATION WITH COUNTERDRUG ACTIVITIES.*—Section  
16 *114 of the National Security Act of 1947 (50 U.S.C. 404i)*  
17 *is amended—*

18 (1) *by striking subsection (a); and*

19 (2) *by redesignating subsections (b) through (f)*  
20 *as subsections (a) through (e), respectively.*

21 (d) *ANNUAL REPORT ON COVERT LEASES.*—Section  
22 *114 of the National Security Act of 1947, as amended by*  
23 *this section, is further amended—*

24 (1) *by striking subsection (d); and*

25 (2) *by redesignating subsection (e) as subsection*  
26 *(d).*

1       (e) *ANNUAL REPORT ON PROTECTION OF COVERT*  
2 *AGENTS.*—Section 603 of the National Security Act of 1947  
3 (50 U.S.C. 423) is repealed.

4       (f) *ANNUAL REPORT ON CERTAIN FOREIGN COMPA-*  
5 *NIES INVOLVED IN PROLIFERATION OF WEAPONS OF MASS*  
6 *DESTRUCTION.*—Section 827 of the Intelligence Authoriza-  
7 *tion Act for Fiscal Year 2003 (Public Law 107–306; 116*  
8 *Stat. 2430; 50 U.S.C. 404n–3) is repealed.*

9       (g) *ANNUAL REPORT ON INTELLIGENCE ACTIVITIES OF*  
10 *PEOPLE’S REPUBLIC OF CHINA.*—Section 308 of the Intel-  
11 *ligence Authorization Act for Fiscal Year 1998 (Public Law*  
12 *105–107; 111 Stat. 2253; 50 U.S.C. 402a note) is repealed.*

13       (h) *ANNUAL REPORT ON COORDINATION OF COUNTER-*  
14 *INTELLIGENCE MATTERS WITH FBI.*—Section 811(c) of the  
15 *Counterintelligence and Security Enhancements Act of*  
16 *1994 (title VIII of Public Law 103–359; 50 U.S.C. 402a(c))*  
17 *is amended—*

18               (1) *by striking paragraph (6); and*

19               (2) *by redesignating paragraphs (7) and (8) as*  
20 *paragraphs (6) and (7), respectively.*

21       (i) *REPORT ON POSTEMPLOYMENT ASSISTANCE FOR*  
22 *TERMINATED INTELLIGENCE EMPLOYEES.*—Section 1611  
23 *of title 10, United States Code, is amended by striking sub-*  
24 *section (e).*

1           (j) *ANNUAL REPORT ON ACTIVITIES OF FBI PER-*  
 2 *SONNEL OUTSIDE THE UNITED STATES.*—Section 540C of  
 3 *title 18, United States Code, is repealed.*

4           (k) *ANNUAL REPORT ON EXCEPTIONS TO CONSUMER*  
 5 *DISCLOSURE REQUIREMENTS FOR NATIONAL SECURITY IN-*  
 6 *VESTIGATIONS.*—Section 604(b)(4) of the *Fair Credit Re-*  
 7 *porting Act (15 U.S.C. 1681b(b)(4)) is amended—*

8                   (1) *by striking subparagraphs (D) and (E); and*  
 9                   (2) *by redesignating subparagraph (F) as sub-*  
 10 *paragraph (D).*

11           (l) *CONFORMING AMENDMENTS.*—Section 507 of the  
 12 *National Security Act of 1947 (50 U.S.C. 415b) is*  
 13 *amended—*

14                   (1) *in subsection (a)—*

15                           (A) *in paragraph (1)—*

16                                   (i) *by striking subparagraphs (A), (C),*  
 17 *(D), (G), (I), (J), and (L); and*

18                                   (ii) *by redesignating subparagraphs*  
 19 *(B), (E), (F), (H), (K), (M), and (N) as*  
 20 *subparagraphs (A), (B), (C), (D), (E), (F),*  
 21 *and (G), respectively; and*

22                                   (iii) *in subparagraph (G), as so redес-*  
 23 *ignated, by striking “section 114(c)” and*  
 24 *inserting “section 114(b)”.*

25                           (B) *in paragraph (2)—*

1                   (i) in subparagraph (A), by striking  
2                   “section 114(b)” and inserting “section  
3                   114(a)”;

4                   (ii) in subparagraph (B), by striking  
5                   “section 114(d)” and inserting “section  
6                   114(c)”;

7                   (iii) by striking subparagraphs (C),  
8                   (E), and (F); and  
9                   (iv) by redesignating subparagraphs  
10                  (D) and (G) as subparagraphs (C) and (D),  
11                  respectively; and

12                  (2) in subsection (b)—

13                         (A) by striking paragraph (1); and

14                         (B) by redesignating paragraphs (2)  
15                         through (8) as paragraphs (1) through (7), re-  
16                         spectively.

17                  (m) *CLERICAL AMENDMENTS.*—

18                         (1) *NATIONAL SECURITY ACT OF 1947.*—The table  
19                         of contents for the National Security Act of 1947 is  
20                         amended by striking the item relating to section 603.

21                         (2) *TITLE 18, UNITED STATES CODE.*—The table  
22                         of sections at the beginning of chapter 33 of title 18,  
23                         United States Code, is amended by striking the item  
24                         relating to section 540C.

1           (n) *EFFECTIVE DATE.*—*The amendments made by this*  
2 *section shall take effect on December 31, 2003.*

3 **SEC. 340. REPORT ON OPERATIONS OF DIRECTORATE OF**  
4 **INFORMATION ANALYSIS AND INFRASTRUC-**  
5 **TURE PROTECTION AND TERRORIST THREAT**  
6 **INTEGRATION CENTER.**

7           (a) *REPORT REQUIRED.*—*The Secretary of Homeland*  
8 *Security shall submit to the appropriate committees of Con-*  
9 *gress a report on the operations of the Directorate of Infor-*  
10 *mation Analysis and Infrastructure Protection of the De-*  
11 *partment of Homeland Security and the Terrorist Threat*  
12 *Integration Center. The report shall include the following:*

13                   (1) *An assessment of the operations of the Direc-*  
14 *torate, including the capability of the Directorate—*

15                           (A) *to meet personnel requirements, includ-*  
16 *ing requirements to employ qualified analysts,*  
17 *and the status of efforts to employ qualified ana-*  
18 *lysts;*

19                           (B) *to share intelligence information with*  
20 *the other elements of the intelligence community,*  
21 *including the sharing of intelligence information*  
22 *through secure information technology connec-*  
23 *tions between the Directorate and the other ele-*  
24 *ments of the intelligence community;*

1           (C) to disseminate intelligence information,  
2           or analyses of intelligence information, to other  
3           departments and agencies of the Federal Govern-  
4           ment and, as appropriate, to State and local  
5           governments;

6           (D) to coordinate with State and local  
7           counterterrorism and law enforcement officials;

8           (E) to access information, including intel-  
9           ligence and law enforcement information, from  
10          the departments and agencies of the Federal Gov-  
11          ernment, including the ability to access, in a  
12          timely and efficient manner, all information au-  
13          thorized by section 202 of the Homeland Secu-  
14          rity Act of 2002 (Public Law 107–296; 6 U.S.C.  
15          122); and

16          (F) to fulfill, given the current assets and  
17          capabilities of the Directorate, the responsibil-  
18          ities set forth in section 201 of the Homeland Se-  
19          curity Act of 2002 (6 U.S.C. 121);

20          (2) A delineation of the responsibilities and du-  
21          ties of the Directorate and of the responsibilities and  
22          duties of the Center.

23          (3) A delineation and summary of the areas in  
24          which the responsibilities and duties of the Direc-  
25          torate and the Center overlap.

1           (4) *An assessment of whether the areas of over-*  
2 *lap, if any, delineated under paragraph (3) represent*  
3 *an inefficient utilization of the limited resources of*  
4 *the Directorate and the intelligence community.*

5           (5) *Such information as the Secretary, in coordi-*  
6 *nation with the Director of Central Intelligence and*  
7 *the Director of the Federal Bureau of Investigation,*  
8 *considers appropriate to explain the basis for the es-*  
9 *tablishment and operation of the Center as a “joint*  
10 *venture” of participating agencies rather than as an*  
11 *element of the Directorate reporting directly to the*  
12 *Secretary through the Under Secretary of Homeland*  
13 *Security for Information Analysis and Infrastructure*  
14 *Protection.*

15       (b) *SUBMITTAL DATE.*—*The report required by this*  
16 *section shall be submitted not later than May 1, 2004.*

17       (c) *FORM.*—*The report required by this section shall*  
18 *be submitted in unclassified form, but may include a classi-*  
19 *fied annex.*

20       (d) *APPROPRIATE COMMITTEES OF CONGRESS DE-*  
21 *FINED.*—*In this section, the term “appropriate committees*  
22 *of Congress” means—*

23           (1) *the Select Committee on Intelligence and the*  
24 *Committees on Governmental Affairs, the Judiciary,*  
25 *and Appropriations of the Senate; and*



1           (2) *the Permanent Select Committee on Intel-*  
 2           *ligence, the Select Committee on Homeland Security,*  
 3           *and the Committees on the Judiciary and Appropria-*  
 4           *tions of the House of Representatives.*

5           ***Subtitle E—Other Matters***

6   **SEC. 351. EXTENSION OF SUSPENSION OF REORGANIZA-**  
 7                   **TION OF DIPLOMATIC TELECOMMUNI-**  
 8                   **CATIONS SERVICE PROGRAM OFFICE.**

9           *Section 311 of the Intelligence Authorization Act for*  
 10   *Fiscal Year 2002 (Public Law 107–108; 22 U.S.C. 7301*  
 11   *note) is amended—*

12           (1) *in the heading, by striking “**TWO-YEAR**”*  
 13           *before “**SUSPENSION OF REORGANIZA-***  
 14           ***TION*”**; and

15           (2) *in the text, by striking “ending on October*  
 16           *1, 2003” and inserting “ending on the date that is 60*  
 17           *days after the appropriate congressional committees*  
 18           *of jurisdiction (as defined in section 324(d) of that*  
 19           *Act (22 U.S.C. 7304(d)) are notified jointly by the*  
 20           *Secretary of State (or the Secretary’s designee) and*  
 21           *the Director of the Office of Management and Budget*  
 22           *(or the Director’s designee) that the operational*  
 23           *framework for the office has been terminated”.*

1 **SEC. 352. MODIFICATIONS OF AUTHORITIES ON EXPLOSIVE**  
2 **MATERIALS.**

3 (a) *CLARIFICATION OF ALIENS AUTHORIZED TO DIS-*  
4 *TRIBUTE EXPLOSIVE MATERIALS.*—Section 842(d)(7) of  
5 *title 18, United States Code, is amended—*

6 (1) *in subparagraph (A), by striking “or” at the*  
7 *end;*

8 (2) *in subparagraph (B)—*

9 (A) *by inserting “or” at the end of clause*  
10 *(i); and*

11 (B) *by striking clauses (iii) and (iv); and*

12 (3) *by adding the following new subparagraphs:*

13 “(C) *is a member of a North Atlantic Trea-*  
14 *ty Organization (NATO) or other friendly for-*  
15 *ign military force, as determined by the Attor-*  
16 *ney General in consultation with the Secretary*  
17 *of Defense, who is present in the United States*  
18 *under military orders for training or other mili-*  
19 *tary purpose authorized by the United States*  
20 *and the shipping, transporting, possession, or re-*  
21 *ceipt of explosive materials is in furtherance of*  
22 *the authorized military purpose; or*

23 “(D) *is lawfully present in the United*  
24 *States in cooperation with the Director of Cen-*  
25 *tral Intelligence, and the shipment, transpor-*

1            *tation, receipt, or possession of the explosive ma-*  
2            *terials is in furtherance of such cooperation;”.*

3            *(b) CLARIFICATION OF ALIENS AUTHORIZED TO POS-*  
4            *SESS OR RECEIVE EXPLOSIVE MATERIALS.—Section*  
5            *842(i)(5) of title 18, United States Code, is amended—*

6            *(1) in subparagraph (A), by striking “or” at the*  
7            *end;*

8            *(2) in subparagraph (B)—*

9                    *(A) by inserting “or” at the end of clause*  
10            *(i); and*

11                    *(B) by striking clauses (iii) and (iv); and*

12            *(3) by adding the following new subparagraphs:*

13                    *“(C) is a member of a North Atlantic Trea-*  
14            *ty Organization (NATO) or other friendly for-*  
15            *ign military force, as determined by the Attor-*  
16            *ney General in consultation with the Secretary*  
17            *of Defense, who is present in the United States*  
18            *under military orders for training or other mili-*  
19            *tary purpose authorized by the United States*  
20            *and the shipping, transporting, possession, or re-*  
21            *ceipt of explosive materials is in furtherance of*  
22            *the authorized military purpose; or*

23                    *“(D) is lawfully present in the United*  
24            *States in cooperation with the Director of Cen-*  
25            *tral Intelligence, and the shipment, transpor-*

1            *tation, receipt, or possession of the explosive ma-*  
2            *terials is in furtherance of such cooperation;”.*

3    **SEC. 353. MODIFICATION OF PROHIBITION ON THE NATU-**  
4            **RALIZATION OF CERTAIN PERSONS.**

5            *Section 313(e)(4) of the Immigration and Nationality*  
6    *Act (8 U.S.C. 1424(e)(4)) is amended—*

7            (1) *by inserting “when Department of Defense*  
8            *activities are relevant to the determination” after*  
9            *“Secretary of Defense”; and*

10            (2) *by inserting “and the Secretary of Homeland*  
11            *Security” after “Attorney General”.*

12    **SEC. 354. MODIFICATION TO DEFINITION OF FINANCIAL IN-**  
13            **STITUTION IN THE RIGHT TO FINANCIAL PRI-**  
14            **VACY ACT.**

15            *The Right to Financial Privacy Act of 1978 (12 U.S.C.*  
16    *3401 et seq.) is amended—*

17            (1) *in section 1101(1) (12 U.S.C. 3401(1)), by*  
18            *inserting “, except as provided in section 1114,” be-*  
19            *fore “means any office”; and*

20            (2) *in section 1114 (12 U.S.C. 3414), by adding*  
21            *at the end the following:*

22            *“(c) For purposes of this section, the term ‘financial*  
23            *institution’ has the same meaning as in section 5312(a)(2)*  
24            *of title 31, United States Code, except that, for purposes*  
25            *of this section, such term shall include only such a financial*

1 *institution any part of which is located inside any State*  
2 *or territory of the United States, the District of Columbia,*  
3 *Puerto Rico, Guam, American Samoa, or the United States*  
4 *Virgin Islands.”.*

5 **SEC. 355. COORDINATION OF FEDERAL GOVERNMENT RE-**  
6 **SEARCH ON SECURITY EVALUATIONS.**

7 (a) *WORKSHOPS FOR COORDINATION OF RESEARCH.—*  
8 *The National Science Foundation and the Office of Science*  
9 *and Technology Policy shall jointly sponsor not less than*  
10 *two workshops on the coordination of Federal Government*  
11 *research on the use of behavioral, psychological, and physio-*  
12 *logical assessments of individuals in the conduct of security*  
13 *evaluations.*

14 (b) *DEADLINE FOR COMPLETION OF ACTIVITIES.—The*  
15 *activities of the workshops sponsored under subsection (a)*  
16 *shall be completed not later than March 1, 2004.*

17 (c) *PURPOSES.—The purposes of the workshops spon-*  
18 *sored under subsection (a) are as follows:*

19 (1) *To provide a forum for cataloging and co-*  
20 *ordinating federally-funded research activities relat-*  
21 *ing to the development of new techniques in the be-*  
22 *havioral, psychological, or physiological assessment of*  
23 *individuals to be used in security evaluations.*

24 (2) *To develop a research agenda for the Federal*  
25 *Government on behavioral, psychological, and physio-*

1        *logical assessments of individuals, including an iden-*  
2        *tification of the research most likely to advance the*  
3        *understanding of the use of such assessments of indi-*  
4        *viduals in security evaluations.*

5            *(3) To distinguish between short-term and long-*  
6        *term areas of research on behavioral, psychological,*  
7        *and physiological assessments of individuals in order*  
8        *maximize the utility of short-term and long-term re-*  
9        *search on such assessments.*

10           *(4) To identify the Federal agencies best suited*  
11        *to support research on behavioral, psychological, and*  
12        *physiological assessments of individuals.*

13           *(5) To develop recommendations for coordinating*  
14        *future federally-funded research for the development,*  
15        *improvement, or enhancement of security evaluations.*

16        *(d) ADVISORY GROUP.—(1) In order to assist the Na-*  
17        *tional Science Foundation and the Office of Science and*  
18        *Technology Policy in carrying out the activities of the work-*  
19        *shops sponsored under subsection (a), there is hereby estab-*  
20        *lished an interagency advisory group with respect to such*  
21        *workshops.*

22           *(2) The advisory group shall be composed of the fol-*  
23        *lowing:*

1           (A) *A representative of the Social, Behavioral,*  
2           *and Economic Directorate of the National Science*  
3           *Foundation.*

4           (B) *A representative of the Office of Science, and*  
5           *Technology Policy.*

6           (C) *The Secretary of Defense, or a designee of the*  
7           *Secretary.*

8           (D) *The Secretary of State, or a designee of the*  
9           *Secretary.*

10          (E) *The Attorney General, or a designee of the*  
11          *Attorney General.*

12          (F) *The Secretary of Energy, or a designee of the*  
13          *Secretary.*

14          (G) *The Secretary of Homeland Security, or a*  
15          *designee of the Secretary.*

16          (H) *The Director of Central Intelligence, or a*  
17          *designee of the Director.*

18          (I) *The Director of the Federal Bureau of Inves-*  
19          *tigation, or a designee of the Director.*

20          (J) *The National Counterintelligence Executive,*  
21          *or a designee of the National Counterintelligence Ex-*  
22          *ecutive.*

23          (K) *Any other official assigned to the advisory*  
24          *group by the President for purposes of this section.*

1       (3) *The members of the advisory group under subpara-*  
2 *graphs (A) and (B) of paragraph (2) shall jointly head the*  
3 *advisory group.*

4       (4) *The advisory group shall provide the Foundation*  
5 *and the Office such information, advice, and assistance*  
6 *with respect to the workshops sponsored under subsection*  
7 *(a) as the advisory group considers appropriate.*

8       (5) *The advisory group shall not be treated as an advi-*  
9 *sory committee for purposes of the Federal Advisory Com-*  
10 *mittee Act (5 U.S.C. App.).*

11       (e) *REPORT.*—*Not later than March 1, 2004, the Na-*  
12 *tional Science Foundation and the Office of Science and*  
13 *Technology Policy shall jointly submit Congress a report*  
14 *on the results of activities of the workshops sponsored under*  
15 *subsection (a), including the findings and recommendations*  
16 *of the Foundation and the Office as a result of such activi-*  
17 *ties.*

18       (f) *FUNDING.*—(1) *Of the amount authorized to be ap-*  
19 *propriated for the Intelligence Community Management Ac-*  
20 *count by section 104(a), \$500,000 shall be available to the*  
21 *National Science Foundation and the Office of Science and*  
22 *Technology Policy to carry out this section.*

23       (2) *The amount authorized to be appropriated by*  
24 *paragraph (1) shall remain available until expended.*



1 **SEC. 356. TECHNICAL AMENDMENTS.**

2 (a) NATIONAL SECURITY ACT OF 1947.—Subsection  
3 (c)(1) of section 112 of the National Security Act of 1947,  
4 as redesignated by section 339(b) of this Act, is further  
5 amended by striking “section 103(c)(6)” and inserting “sec-  
6 tion 103(c)(7)”.

7 (b) CENTRAL INTELLIGENCE AGENCY ACT OF 1949.—  
8 (1) Section 5(a)(1) of the Central Intelligence Agency Act  
9 of 1949 (50 U.S.C. 403f(a)(1)) is amended by striking  
10 “(c)(6)” each place it appears and inserting “(c)(7)”.

11 (2) Section 6 of that Act (50 U.S.C. 403g) is amended  
12 by striking “section 103(c)(6) of the National Security Act  
13 of 1947 (50 U.S.C. 403–3(c)(6))” and inserting “section  
14 103(c)(7) of the National Security Act of 1947 (50 U.S.C.  
15 403–3(c)(7))”.

16 (2) Section 15 of that Act (50 U.S.C. 403o) is  
17 amended—

18 (A) in subsection (a)(1), by striking “special po-  
19 licemen of the General Services Administration per-  
20 form under the first section of the Act entitled ‘An Act  
21 to authorize the Federal Works Administrator or offi-  
22 cials of the Federal Works Agency duly authorized by  
23 him to appoint special policeman for duty upon Fed-  
24 eral property under the jurisdiction of the Federal  
25 Works Agency, and for other purposes’ (40 U.S.C.  
26 318),” and inserting “officers and agents of the De-

1        *partment of Homeland Security, as provided in sec-*  
2        *tion 1315(b)(2) of title 40, United States Code,”; and*

3                *(B) in subsection (b), by striking “the fourth sec-*  
4        *tion of the Act referred to in subsection (a) of this sec-*  
5        *tion (40 U.S.C. 318c)” and inserting “section*  
6        *1315(c)(2) of title 40, United States Code”.*

7        *(c) NATIONAL SECURITY AGENCY ACT OF 1959.—Sec-*  
8        *tion 11 of the National Security Agency Act of 1959 (50*  
9        *U.S.C. 402 note) is amended—*

10                *(1) in subsection (a)(1), by striking “special po-*  
11        *licemen of the General Services Administration per-*  
12        *form under the first section of the Act entitled ‘An Act*  
13        *to authorize the Federal Works Administrator or offi-*  
14        *cial of the Federal Works Agency duly authorized by*  
15        *him to appoint special policeman for duty upon Fed-*  
16        *eral property under the jurisdiction of the Federal*  
17        *Works Agency, and for other purposes’ (40 U.S.C.*  
18        *318)” and inserting “officers and agents of the De-*  
19        *partment of Homeland Security, as provided in sec-*  
20        *tion 1315(b)(2) of title 40, United States Code,”; and*

21                *(2) in subsection (b), by striking “the fourth sec-*  
22        *tion of the Act referred to in subsection (a) (40 U.S.C.*  
23        *318c)” and inserting “section 1315(c)(2) of title 40,*  
24        *United States Code”.*

1           (d) *INTELLIGENCE AUTHORIZATION ACT FOR FISCAL*  
 2 *YEAR 2003.*—Section 343 of the Intelligence Authorization  
 3 *Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat.*  
 4 *2399; 50 U.S.C. 404n–2) is amended—*

5           (1) *in subsection (c), by striking “section*  
 6 *103(c)(6) of the National Security Act of 1947 (50*  
 7 *U.S.C. 403–3(c)(6))” and inserting “section 103(c)(7)*  
 8 *of the National Security Act of 1947 (50 U.S.C. 403–*  
 9 *3(c)(7))”;* and

10           (2) *in subsection (e)(2), by striking “section*  
 11 *103(c)(6)” and inserting “section 103(c)(7)”.*

12           (e) *PUBLIC LAW 107–173.*—Section 201(c)(3)(F) of the  
 13 *Enhanced Border Security and Visa Entry Reform Act of*  
 14 *2002 (Public Law 107–173; 116 Stat. 548; 8 U.S.C.*  
 15 *1721(c)(3)(F)) is amended by striking “section 103(c)(6) of*  
 16 *the National Security Act of 1947 (50 U.S.C. 403–3(c)(6))”*  
 17 *and inserting “section 103(c)(7) of the National Security*  
 18 *Act of 1947 (50 U.S.C. 403–3(c)(7))”.*

19 **SEC. 357. TREATMENT OF CLASSIFIED INFORMATION IN**  
 20 **MONEY LAUNDERING CASES.**

21           Section 5318A of title 31, United States Code, is  
 22 amended by adding at the end the following:

23           “(f) *CLASSIFIED INFORMATION.*—*In any judicial re-*  
 24 *view of a finding of the existence of a primary money laun-*  
 25 *dering concern, or of the requirement for 1 or more special*

1 *measures with respect to a primary money laundering con-*  
 2 *cern, made under this section, if the designation or imposi-*  
 3 *tion, or both, were based on classified information (as de-*  
 4 *fin ed in section 1(a) of the Classified Information Proce-*  
 5 *dures Act (18 U.S.C. App.), such information may be sub-*  
 6 *mitted by the Secretary to the reviewing court ex parte and*  
 7 *in camera. This subsection does not confer or imply any*  
 8 *right to judicial review of any finding made or required*  
 9 *under this section.”.*

10 **TITLE IV—CENTRAL**  
 11 **INTELLIGENCE AGENCY**

12 **SEC. 401. AMENDMENT TO CERTAIN CENTRAL INTEL-**  
 13 **LIGENCE AGENCY ACT OF 1949 NOTIFICATION**  
 14 **REQUIREMENTS.**

15 *Section 4(b)(5) of the Central Intelligence Agency Act*  
 16 *of 1949 (50 U.S.C. 403e(b)(5)) is amended inserting “,*  
 17 *other than regulations under paragraph (1),” after “Regu-*  
 18 *lations”.*

19 **SEC. 402. PROTECTION OF CERTAIN CENTRAL INTEL-**  
 20 **LIGENCE AGENCY PERSONNEL FROM TORT**  
 21 **LIABILITY.**

22 *Section 15 of the Central Intelligence Agency Act of*  
 23 *1949 (50 U.S.C. 403o) is amended by adding at the end*  
 24 *the following new subsection:*

1       “(d)(1) Notwithstanding any other provision of law,  
2 any Agency personnel designated by the Director under sub-  
3 section (a), or designated by the Director under section  
4 5(a)(4) to carry firearms for the protection of current or  
5 former Agency personnel and their immediate families, de-  
6 fectors and their immediate families, and other persons in  
7 the United States under Agency auspices, shall be consid-  
8 ered for purposes of chapter 171 of title 28, United States  
9 Code, or any other provision of law relating to tort liability,  
10 to be acting within the scope of their office or employment  
11 when such Agency personnel take reasonable action, which  
12 may include the use of force, to—

13           “(A) protect an individual in the presence of  
14 such Agency personnel from a crime of violence;

15           “(B) provide immediate assistance to an indi-  
16 vidual who has suffered or who is threatened with  
17 bodily harm; or

18           “(C) prevent the escape of any individual whom  
19 such Agency personnel reasonably believe to have com-  
20 mitted a crime of violence in the presence of such  
21 Agency personnel.

22       “(2) Paragraph (1) shall not affect the authorities of  
23 the Attorney General under section 2679(d)(1) of title 28,  
24 United States Code.

1       “(3) *In this subsection, the term ‘crime of violence’ has*  
2 *the meaning given that term in section 16 of title 18,*  
3 *United States Code.”.*

4 **SEC. 403. REPEAL OF OBSOLETE LIMITATION ON USE OF**  
5 **FUNDS IN CENTRAL SERVICES WORKING CAP-**  
6 **ITAL FUND.**

7       *Section 21(f)(2) of the Central Intelligence Agency Act*  
8 *of 1949 (50 U.S.C. 403u(f)(2)) is amended—*

9             (1) *in subparagraph (A), by striking “(A) Sub-*  
10 *ject to subparagraph (B), the Director” and inserting*  
11 *“The Director”; and*

12             (2) *by striking subparagraph (B).*

13 **SEC. 404. TECHNICAL AMENDMENT TO FEDERAL INFORMA-**  
14 **TION SECURITY MANAGEMENT ACT OF 2002.**

15       *Section 3535(b)(1) of title 44, United States Code, as*  
16 *added by section 1001(b)(1) of the Homeland Security Act*  
17 *of 2002 (Public Law 107–296), and section 3545(b)(1) of*  
18 *title 44, United States Code, as added by section 301(b)(1)*  
19 *of the E–Government Act of 2002 (Public Law 107–347),*  
20 *are each amended by inserting “or any other law” after*  
21 *“1978”.*

1 **SEC. 405. CONTRIBUTION BY CENTRAL INTELLIGENCE**  
2 **AGENCY EMPLOYEES OF CERTAIN BONUS PAY**  
3 **TO THRIFT SAVINGS PLAN ACCOUNTS.**

4 (a) *CSRS PARTICIPANTS.*—Section 8351(d) of title 5,  
5 *United States Code, is amended—*

6 (1) *by inserting “(1)” after “(d)”;* and

7 (2) *by adding at the end the following new para-*  
8 *graph:*

9 “(2)(A) *An employee of the Central Intelligence Agency*  
10 *making contributions to the Thrift Savings Fund out of*  
11 *basic pay may also contribute (by direct transfer to the*  
12 *Fund) any part of bonus pay received by the employee as*  
13 *part of the pilot project required by section 402(b) of the*  
14 *Intelligence Authorization Act for Fiscal Year 2003 (Public*  
15 *Law 107–306; 116 Stat. 2403; 50 U.S.C. 403–4 note).*

16 “(B) *Contributions under this paragraph are subject*  
17 *to section 8432(d) of this title.”.*

18 (b) *FERS PARTICIPANTS.*—Section 8432 of title 5,  
19 *United States Code, is amended by adding at the end the*  
20 *following new subsection:*

21 “(k)(1) *An employee of the Central Intelligence Agency*  
22 *making contributions to the Thrift Savings Fund out of*  
23 *basic pay may also contribute (by direct transfer to the*  
24 *Fund) any part of bonus pay received by the employee as*  
25 *part of the pilot project required by section 402(b) of the*

1 *Intelligence Authorization Act for Fiscal Year 2003 (Public*  
 2 *Law 107–306; 116 Stat. 2403; 50 U.S.C. 403–4 note).*

3 “(2) *Contributions under this subsection are subject to*  
 4 *subsection (d).*”

5 “(3) *For purposes of subsection (c), basic pay of an*  
 6 *employee of the Central Intelligence Agency shall include*  
 7 *bonus pay received by the employee as part of the pilot*  
 8 *project referred to in paragraph (1).”*

9 **TITLE V—DEPARTMENT OF DE-**  
 10 **FENSE INTELLIGENCE MAT-**  
 11 **TERS**

12 **SEC. 501. PROTECTION OF OPERATIONAL FILES OF THE NA-**  
 13 **TIONAL SECURITY AGENCY.**

14 (a) *CONSOLIDATION OF CURRENT PROVISIONS ON*  
 15 *PROTECTION OF OPERATIONAL FILES.—The National Se-*  
 16 *curity Act of 1947 (50 U.S.C. 401 et seq.) is amended by*  
 17 *transferring sections 105C and 105D to the end of title VII*  
 18 *and redesignating such sections, as so transferred, as sec-*  
 19 *tions 703 and 704, respectively.*

20 (b) *PROTECTION OF OPERATIONAL FILES OF NSA.—*  
 21 *Title VII of such Act, as amended by subsection (a), is fur-*  
 22 *ther amended by adding at the end the following new sec-*  
 23 *tion:*

24 “*OPERATIONAL FILES OF THE NATIONAL SECURITY AGENCY*

25 “*SEC. 705. (a) EXEMPTION OF CERTAIN OPERATIONAL*  
 26 *FILES FROM SEARCH, REVIEW, PUBLICATION, OR DISCLO-*



1 *SURE.—(1) Operational files of the National Security Agen-*  
2 *cy (hereafter in this section referred to as ‘NSA’) may be*  
3 *exempted by the Director of NSA, in coordination with the*  
4 *Director of Central Intelligence, from the provisions of sec-*  
5 *tion 552 of title 5, United States Code, which require publi-*  
6 *cation, disclosure, search, or review in connection therewith.*

7 “(2)(A) *In this section, the term ‘operational files’*  
8 *means—*

9 “(i) *files of the Signals Intelligence Directorate,*  
10 *and its successor organizations, which document the*  
11 *means by which foreign intelligence or counterintel-*  
12 *ligence is collected through technical systems; and*

13 “(ii) *files of the Research Associate Directorate,*  
14 *and its successor organizations, which document the*  
15 *means by which foreign intelligence or counterintel-*  
16 *ligence is collected through scientific and technical*  
17 *systems.*

18 “(B) *Files which are the sole repository of dissemi-*  
19 *nated intelligence, and files that have been accessioned into*  
20 *NSA Archives, or its successor organizations, are not oper-*  
21 *ational files.*

22 “(3) *Notwithstanding paragraph (1), exempted oper-*  
23 *ational files shall continue to be subject to search and review*  
24 *for information concerning—*

1           “(A) *United States citizens or aliens lawfully*  
2 *admitted for permanent residence who have requested*  
3 *information on themselves pursuant to the provisions*  
4 *of section 552 or 552a of title 5, United States Code;*

5           “(B) *any special activity the existence of which*  
6 *is not exempt from disclosure under the provisions of*  
7 *section 552 of title 5, United States Code; or*

8           “(C) *the specific subject matter of an investiga-*  
9 *tion by any of the following for any impropriety, or*  
10 *violation of law, Executive order, or Presidential di-*  
11 *rective, in the conduct of an intelligence activity:*

12           “(i) *The Committee on Armed Services and*  
13 *the Permanent Select Committee on Intelligence*  
14 *of the House of Representatives.*

15           “(ii) *The Committee on Armed Services and*  
16 *the Select Committee on Intelligence of the Sen-*  
17 *ate.*

18           “(iii) *The Intelligence Oversight Board.*

19           “(iv) *The Department of Justice.*

20           “(v) *The Office of General Counsel of NSA.*

21           “(vi) *The Office of the Inspector General of*  
22 *the Department of Defense.*

23           “(vii) *The Office of the Director of NSA.*

24           “(4)(A) *Files that are not exempted under paragraph*  
25 *(1) which contain information derived or disseminated*

1 *from exempted operational files shall be subject to search*  
2 *and review.*

3       “(B) *The inclusion of information from exempted oper-*  
4 *ational files in files that are not exempted under paragraph*  
5 *(1) shall not affect the exemption under paragraph (1) of*  
6 *the originating operational files from search, review, publi-*  
7 *cation, or disclosure.*

8       “(C) *The declassification of some of the information*  
9 *contained in exempted operational files shall not affect the*  
10 *status of the operational file as being exempt from search,*  
11 *review, publication, or disclosure.*

12       “(D) *Records from exempted operational files which*  
13 *have been disseminated to and referenced in files that are*  
14 *not exempted under paragraph (1), and which have been*  
15 *returned to exempted operational files for sole retention*  
16 *shall be subject to search and review.*

17       “(5) *The provisions of paragraph (1) may not be su-*  
18 *perseded except by a provision of law which is enacted after*  
19 *the date of the enactment of the Intelligence Authorization*  
20 *Act for Fiscal Year 2004, and which specifically cites and*  
21 *repeals or modifies such provisions.*

22       “(6)(A) *Except as provided in subparagraph (B),*  
23 *whenever any person who has requested agency records*  
24 *under section 552 of title 5, United States Code, alleges that*  
25 *NSA has withheld records improperly because of failure to*

1 *comply with any provision of this section, judicial review*  
2 *shall be available under the terms set forth in section*  
3 *552(a)(4)(B) of title 5, United States Code.*

4       “(B) *Judicial review shall not be available in the man-*  
5 *ner provided for under subparagraph (A) as follows:*

6               “(i) *In any case in which information specifi-*  
7 *cally authorized under criteria established by an Ex-*  
8 *ecutive order to be kept secret in the interests of na-*  
9 *tional defense or foreign relations is filed with, or*  
10 *produced for, the court by NSA, such information*  
11 *shall be examined ex parte, in camera by the court.*

12               “(ii) *The court shall determine, to the fullest ex-*  
13 *tent practicable, the issues of fact based on sworn*  
14 *written submissions of the parties.*

15               “(iii) *When a complainant alleges that requested*  
16 *records are improperly withheld because of improper*  
17 *placement solely in exempted operational files, the*  
18 *complainant shall support such allegation with a*  
19 *sworn written submission based upon personal knowl-*  
20 *edge or otherwise admissible evidence.*

21               “(iv)(I) *When a complainant alleges that re-*  
22 *quested records were improperly withheld because of*  
23 *improper exemption of operational files, NSA shall*  
24 *meet its burden under section 552(a)(4)(B) of title 5,*  
25 *United States Code, by demonstrating to the court by*

1        *sworn written submission that exempted operational*  
2        *files likely to contain responsible records currently*  
3        *perform the functions set forth in paragraph (2).*

4                *“(II) The court may not order NSA to review the*  
5        *content of any exempted operational file or files in*  
6        *order to make the demonstration required under sub-*  
7        *clause (I), unless the complainant disputes NSA’s*  
8        *showing with a sworn written submission based on*  
9        *personal knowledge or otherwise admissible evidence.*

10                *“(v) In proceedings under clauses (iii) and (iv),*  
11        *the parties may not obtain discovery pursuant to*  
12        *rules 26 through 36 of the Federal Rules of Civil Pro-*  
13        *cedure, except that requests for admissions may be*  
14        *made pursuant to rules 26 and 36.*

15                *“(vi) If the court finds under this paragraph*  
16        *that NSA has improperly withheld requested records*  
17        *because of failure to comply with any provision of*  
18        *this subsection, the court shall order NSA to search*  
19        *and review the appropriate exempted operational file*  
20        *or files for the requested records and make such*  
21        *records, or portions thereof, available in accordance*  
22        *with the provisions of section 552 of title 5, United*  
23        *States Code, and such order shall be the exclusive*  
24        *remedy for failure to comply with this subsection.*

1           “(vii) *If at any time following the filing of a*  
2           *complaint pursuant to this paragraph NSA agrees to*  
3           *search the appropriate exempted operational file or*  
4           *files for the requested records, the court shall dismiss*  
5           *the claim based upon such complaint.*

6           “(viii) *Any information filed with, or produced*  
7           *for the court pursuant to clauses (i) and (iv) shall be*  
8           *coordinated with the Director of Central Intelligence*  
9           *before submission to the court.*

10          “(b) *DECENNIAL REVIEW OF EXEMPTED OPER-*  
11          *ATIONAL FILES.—(1) Not less than once every 10 years, the*  
12          *Director of the National Security Agency and the Director*  
13          *of Central Intelligence shall review the exemptions in force*  
14          *under subsection (a)(1) to determine whether such exemp-*  
15          *tions may be removed from a category of exempted files or*  
16          *any portion thereof. The Director of Central Intelligence*  
17          *must approve any determination to remove such exemp-*  
18          *tions.*

19          “(2) *The review required by paragraph (1) shall in-*  
20          *clude consideration of the historical value or other public*  
21          *interest in the subject matter of a particular category of*  
22          *files or portions thereof and the potential for declassifying*  
23          *a significant part of the information contained therein.*

24          “(3) *A complainant that alleges that NSA has improv-*  
25          *erly withheld records because of failure to comply with this*

1 subsection may seek judicial review in the district court of  
2 the United States of the district in which any of the parties  
3 reside, or in the District of Columbia. In such a proceeding,  
4 the court's review shall be limited to determining the fol-  
5 lowing:

6           “(A) Whether NSA has conducted the review re-  
7           quired by paragraph (1) before the expiration of the  
8           10-year period beginning on the date of the enactment  
9           of the Intelligence Authorization Act for Fiscal Year  
10          2004 or before the expiration of the 10-year period be-  
11          ginning on the date of the most recent review.

12           “(B) Whether NSA, in fact, considered the cri-  
13          teria set forth in paragraph (2) in conducting the re-  
14          quired review.”.

15          (c) CONFORMING AMENDMENTS.—(1) Section 701(b) of  
16          the National Security Act of 1947 (50 U.S.C. 431(b)) is  
17          amended by striking “For purposes of this title” and insert-  
18          ing “In this section and section 702,”.

19          (2) Section 702(c) of such Act (50 U.S.C. 432(c)) is  
20          amended by striking “enactment of this title” and inserting  
21          “October 15, 1984,”.

22          (3)(A) The title heading for title VII of such Act is  
23          amended to read as follows:

1        “*TITLE VII—PROTECTION OF OPERATIONAL*  
 2    *FILES*”.

3        *(B) The section heading for section 701 of such Act*  
 4 *is amended to read as follows:*

5        “*PROTECTION OF OPERATIONAL FILES OF THE CENTRAL*  
 6    *INTELLIGENCE AGENCY*”.

7        *(C) The section heading for section 702 of such Act*  
 8 *is amended to read as follows:*

9        “*DECENNIAL REVIEW OF EXEMPTED CENTRAL*  
 10    *INTELLIGENCE AGENCY OPERATIONAL FILES*”.

11        *(d) CLERICAL AMENDMENTS.—The table of contents*  
 12 *for the National Security Act of 1947 is amended—*

13                *(1) by striking the items relating to sections*  
 14                *105C and 105D; and*

15                *(2) by striking the items relating to title VII and*  
 16 *inserting the following new items:*

“*TITLE VII—PROTECTION OF OPERATIONAL FILES*

“*Sec. 701. Protection of operational files of the Central Intelligence Agency.*

“*Sec. 702. Decennial review of exempted Central Intelligence Agency operational files.*

“*Sec. 703. Protection of operational files of the National Imagery and Mapping Agency.*

“*Sec. 704. Protection of operational files of the National Reconnaissance Office.*

“*Sec. 705. Protection of operational files of the National Security Agency.*”.

17 **SEC. 502. PROTECTION OF CERTAIN NATIONAL SECURITY**  
 18    **AGENCY PERSONNEL FROM TORT LIABILITY.**

19        *Section 11 of the National Security Agency Act of 1959*  
 20 *(50 U.S.C. 402 note) is amended by adding at the end the*  
 21 *following new subsection:*



1       “(d)(1) Notwithstanding any other provision of law,  
2 agency personnel designated by the Director of the National  
3 Security Agency under subsection (a) shall be considered  
4 for purposes of chapter 171 of title 28, United States Code,  
5 or any other provision of law relating to tort liability, to  
6 be acting within the scope of their office or employment  
7 when such agency personnel take reasonable action, which  
8 may include the use of force, to—

9           “(A) protect an individual in the presence of  
10 such agency personnel from a crime of violence;

11           “(B) provide immediate assistance to an indi-  
12 vidual who has suffered or who is threatened with  
13 bodily harm; or

14           “(C) prevent the escape of any individual whom  
15 such agency personnel reasonably believe to have com-  
16 mitted a crime of violence in the presence of such  
17 agency personnel.

18       “(2) Paragraph (1) shall not affect the authorities of  
19 the Attorney General under section 2679(d)(1) of title 28,  
20 United States Code.

21       “(3) In this subsection, the term ‘crime of violence’ has  
22 the meaning given that term in section 16 of title 18,  
23 United States Code.”.

1 **SEC. 503. USE OF FUNDS FOR COUNTERDRUG AND**  
2 **COUNTERTERRORISM ACTIVITIES FOR CO-**  
3 **LOMBIA.**

4 (a) *AUTHORITY.*—*Funds designated for intelligence or*  
5 *intelligence-related purposes for assistance to the Govern-*  
6 *ment of Colombia for counterdrug activities for fiscal year*  
7 *2004 or 2005, and any unobligated funds available to any*  
8 *element of the intelligence community for such activities for*  
9 *a prior fiscal year, shall be available—*

10 (1) *to support a unified campaign against nar-*  
11 *cotics trafficking and against activities by organiza-*  
12 *tions designated as terrorist organizations (such as*  
13 *the Revolutionary Armed Forces of Colombia (FARC),*  
14 *the National Liberation Army (ELN), and the United*  
15 *Self-Defense Forces of Colombia (AUC)); and*

16 (2) *to take actions to protect human health and*  
17 *welfare in emergency circumstances, including under-*  
18 *taking rescue operations.*

19 (b) *TERMINATION OF AUTHORITY.*—*The authority pro-*  
20 *vided in subsection (a) shall cease to be effective if the Sec-*  
21 *retary of Defense has credible evidence that the Colombian*  
22 *Armed Forces are not conducting vigorous operations to re-*  
23 *store government authority and respect for human rights*  
24 *in areas under the effective control of paramilitary and*  
25 *guerrilla organizations.*

1           (c) *APPLICATION OF CERTAIN PROVISIONS OF LAW.*—  
2   Sections 556, 567, and 568 of Public Law 107–115, section  
3   8093 of the Department of Defense Appropriations Act,  
4   2002, and the numerical limitations on the number of  
5   United States military personnel and United States indi-  
6   vidual civilian contractors in section 3204(b)(1) of Public  
7   Law 106–246 shall be applicable to funds made available  
8   pursuant to the authority contained in subsection (a).

9           (d) *LIMITATION ON PARTICIPATION OF UNITED*  
10   *STATES PERSONNEL.*—No United States Armed Forces per-  
11   sonnel or United States civilian contractor employed by the  
12   United States will participate in any combat operation in  
13   connection with assistance made available under this sec-  
14   tion, except for the purpose of acting in self defense or res-  
15   cuing any United States citizen to include United States  
16   Armed Forces personnel, United States civilian employees,  
17   and civilian contractors employed by the United States.

18   **SEC. 504. SCENE VISUALIZATION TECHNOLOGIES.**

19           Of the amount authorized to be appropriated by this  
20   Act, \$2,500,000 shall be available for the National Imagery

1 *and Mapping Agency (NIMA) for scene visualization tech-*  
2 *nologies.*

Attest:

*Secretary.*

108TH CONGRESS  
1ST SESSION

**H. R. 2417**

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**AMENDMENT**