



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 24, 2002
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 4628 - Intelligence Authorization Act for Fiscal Year 2003

(Rep. Goss (R) Florida)

The Administration appreciates the Permanent Select Committee on Intelligence's continued support of the Intelligence Community as it faces new challenges. For example, the committee bill includes a number of provisions, such as Section 502 relating to protection of National Reconnaissance Office operational files, which are helpful to the ongoing work of the national security agencies. While the Administration supports much of H.R. 4628, the Administration has not had the opportunity to review the classified schedule of authorizations. Consequently, the Administration presents a preliminary set of concerns below and looks forward to working with the Congress to address its concerns as the legislative process continues.

The Administration continues to support the joint inquiry by the congressional intelligence committees on the evolution of the international terrorist threat to the United States, the response of the U.S. Government to that threat, and matters relating to the events of September 11, 2001. These committees are the proper forum for conducting such a review, which involves access to extremely sensitive information under the special safeguards that apply to these committees under Senate and House rules. Therefore, the Administration would oppose an amendment that would create a new commission to conduct a similar review. Such an amendment is duplicative and would cause a further diversion of essential personnel from their duties fighting the war. The Administration will continue to work with the Congressional intelligence committees in their efforts to fully examine the events leading up to the September 11th.

The Administration opposes an amendment that may be offered which reduces the Administration's flexibility to pursue reform of the Palestinian security service, which is critical to creation of secure conditions for both Israelis and Palestinians.

The Administration strongly opposes Section 402, which prohibits the Central Intelligence Agency (CIA) from implementing compensation reform plans. The Director of Central Intelligence (DCI) must have the maximum flexibility in managing the CIA workforce to ensure that the Agency can quickly adapt to changing mission demands and personnel needs. CIA's reform proposal is fully consistent with the President's Management Agenda, which aims to pay employees in a way that recognizes their contribution to mission and rewards top performers. At a time when it is needed most, Section 402 would curtail the statutory authority and flexibility that the DCI has had since 1949 with regard to CIA

employee compensation

The Administration urges the Congress to authorize an indefinite extension of the current Diplomatic Telecommunications Service Program Office (DTS-PO) agreement, in lieu of the one-year extension proposed in Section 306. An indefinite extension would allow DTS-PO to remain focused on its mission while preserving the partners flexibility to withdraw if needed.

The Administration strongly opposes Section 310 and objects to the continued growth of reporting requirements, such as those contained in Section 304. The volume of reports continues to place a heavy burden on agencies fighting the war on terrorism and the punitive nature of Section 310 would require that resources be diverted from the most important national security activities to the preparation of reports. Section 304 is unnecessary and duplicative given the reporting requirements under Title V of the National Security Act of 1947. While the Administration recognizes the importance of keeping the Intelligence Committees fully and currently informed of the intelligence activities of the U.S. Government, the proliferation of numerous reporting requirements continues to place unreasonable burdens on the Intelligence Community.

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