

**Union Calendar No. 99**

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 1655**

[**Report No. 104-138, Parts I and II**]

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**A BILL**

To authorize appropriations for fiscal year 1996 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.

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JUNE 14, 1995

Reported with an amendment and referred to the Committee on National Security for a period ending not later than June 23, 1995, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(k), rule X

JUNE 23, 1995

Referral to the Committee on National Security extended for a period ending not later than July 19, 1995

Referred to the Committee on Government Reform and Oversight for a period ending not later than July 19, 1995, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(g), rule X

JULY 19, 1995

Reported from the Committee on Government Reform and Oversight with an amendment

JULY 19, 1995

The Committee on National Security discharged; referred to the Committee of the Whole House on the State of the Union

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## IN THE HOUSE OF REPRESENTATIVES

MAY 17, 1995

Mr. COMBEST introduced the following bill; which was referred to the Permanent Select Committee on Intelligence

JUNE 14, 1995

Reported with an amendment and referred to the Committee on National Security for a period ending not later than June 23, 1995, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(k), rule X

[Strike out all after the enacting clause and insert the part printed in italic]

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# A BILL

To authorize appropriations for fiscal year 1996 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.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Intelligence Authoriza-*  
5 *tion Act for Fiscal Year 1996”.*

6 **TITLE I—INTELLIGENCE**  
7 **ACTIVITIES**

8 **SEC. 101. AUTHORIZATION OF APPROPRIATIONS.**

9 *Funds are hereby authorized to be appropriated for fis-*  
10 *cal year 1996 for the conduct of the intelligence and intel-*  
11 *ligence-related activities of the following elements of the*  
12 *United States Government:*

13 *(1) The Central Intelligence Agency.*

14 *(2) The Department of Defense.*

15 *(3) The Defense Intelligence Agency.*

16 *(4) The National Security Agency.*

1           (5) *The Department of the Army, the Department of the Navy, and the Department of the Air Force.*

4           (6) *The Department of State.*

5           (7) *The Department of Treasury.*

6           (8) *The Department of Energy.*

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

8           (10) *The Drug Enforcement Administration.*

9           (11) *The National Reconnaissance Office.*

10          (12) *The Central Imagery Office.*

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

12          (a) *SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 1996, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the bill H.R. 1655 of the 104th Congress.*

20          (b) *AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the*

1 *Schedule, or of appropriate portions of the Schedule, within*  
2 *the executive branch.*

3 **SEC. 103. PERSONNEL CEILING ADJUSTMENTS.**

4 (a) *AUTHORITY FOR ADJUSTMENTS.*—*With the ap-*  
5 *proval of the Director of the Office of Management and*  
6 *Budget, the Director of Central Intelligence may authorize*  
7 *employment of civilian personnel in excess of the number*  
8 *authorized for fiscal year 1996 under section 102 when the*  
9 *Director of Central Intelligence determines that such action*  
10 *is necessary to the performance of important intelligence*  
11 *functions, except that the number of personnel employed in*  
12 *excess of the number authorized under such section may not,*  
13 *for any element of the intelligence community, exceed two*  
14 *percent of the number of civilian personnel authorized*  
15 *under such section for such element.*

16 (b) *NOTICE TO INTELLIGENCE COMMITTEES.*—*The Di-*  
17 *rector of Central Intelligence shall promptly notify the Per-*  
18 *manent Select Committee on Intelligence of the House of*  
19 *Representatives and the Select Committee on Intelligence of*  
20 *the Senate whenever he exercises the authority granted by*  
21 *this section.*

22 **SEC. 104. COMMUNITY MANAGEMENT ACCOUNT.**

23 (a) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*  
24 *authorized to be appropriated for the Community Manage-*  
25 *ment Account of the Director of Central Intelligence for fis-*

1 *cal year 1996 the sum of \$80,713,000. Within such amounts*  
2 *authorized, funds identified in the classified Schedule of Au-*  
3 *thorizations referred to in section 102(a) for the Advanced*  
4 *Research and Development Committee and the Environ-*  
5 *mental Task Force shall remain available until September*  
6 *30, 1997.*

7 *(b) AUTHORIZED PERSONNEL LEVELS.—The Commu-*  
8 *nity Management Staff of the Director of Central Intel-*  
9 *ligence is authorized 247 full-time personnel as of Septem-*  
10 *ber 30, 1996. Such personnel of the Community Manage-*  
11 *ment Staff may be permanent employees of the Community*  
12 *Management Staff or personnel detailed from other elements*  
13 *of the United States Government.*

14 *(c) REIMBURSEMENT.—During fiscal year 1996, any*  
15 *officer or employee of the United States or a member of the*  
16 *Armed Forces who is detailed to the Community Manage-*  
17 *ment Staff from another element of the United States Gov-*  
18 *ernment shall be detailed on a reimbursable basis, except*  
19 *that any such officer, employee or member may be detailed*  
20 *on a nonreimbursable basis for a period of less than one*  
21 *year for the performance of temporary functions as required*  
22 *by the Director of Central Intelligence.*

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 1996 the sum of \$213,900,000.*

9 **TITLE III—GENERAL**  
10 **PROVISIONS**

11 **SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND**  
12 **BENEFITS AUTHORIZED BY LAW.**

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

18 **SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE**  
19 **ACTIVITIES.**

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

1 **SEC. 303. APPLICATION OF SANCTIONS LAWS TO INTEL-**  
2 **LIGENCE ACTIVITIES.**

3 (a) *GENERAL PROVISIONS.*—*The National Security*  
4 *Act of 1947 (50 U.S.C. 401 et seq.), is amended by adding*  
5 *at the end thereof the following new title:*

6 “*TITLE IX—APPLICATION OF SANCTIONS LAWS*  
7 *TO INTELLIGENCE ACTIVITIES*

8 “*STAY OF SANCTIONS*

9 “*SEC. 901. Notwithstanding any other provision of*  
10 *law, the President may stay the imposition of an economic,*  
11 *cultural, diplomatic, or other sanction or related action by*  
12 *the United States Government concerning a foreign coun-*  
13 *try, organization, or person when the President determines*  
14 *that to proceed without delay would seriously risk the com-*  
15 *promise of an ongoing criminal investigation or an intel-*  
16 *ligence source or method. The President shall lift any such*  
17 *stay when the President determines that such stay is no*  
18 *longer necessary to that purpose.*

19 “*REPORTS*

20 “*SEC. 902. Whenever any stay is imposed pursuant*  
21 *to section 901, and whenever the duration of any such stay*  
22 *exceeds 120 days, the President shall promptly report to the*  
23 *Select Committee on Intelligence of the Senate and the Per-*  
24 *manent Select Committee on Intelligence of the House of*  
25 *Representatives the rationale and circumstances that led the*

1 *President to exercise the stay authority with respect to an*  
2 *intelligence source or method, and to the Judiciary Commit-*  
3 *tees of the Senate and the House of Representatives the ra-*  
4 *tionale and circumstances that led the President to exercise*  
5 *the stay authority with respect to an ongoing criminal in-*  
6 *vestigation.”.*

7 (b) *CLERICAL AMENDMENT.—The table of contents in*  
8 *the first section of such Act is amended by adding at the*  
9 *end thereof the following:*

*“TITLE IX—APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES*

*“Sec. 901. Stay of Sanctions.*

*“Sec. 902. Reports.”.*

10 ***SEC. 304. THRIFT SAVINGS PLAN FORFEITURE.***

11 *Section 8432(g) of title 5, United States Code, is*  
12 *amended by adding at the end the following new para-*  
13 *graphs:*

14 *“(5)(A) Notwithstanding any other provision of law,*  
15 *contributions made by the Government for the benefit of an*  
16 *employee or Member under subsection (c), and all earnings*  
17 *attributable to such contributions, shall be forfeited if the*  
18 *annuity of the employee or Member, or that of a survivor*  
19 *or beneficiary, is forfeited under subchapter II of chapter*  
20 *83.*

21 *“(B) Forfeitures under this paragraph shall occur only*  
22 *if the offenses upon which the requisite annuity forfeitures*

1 *are based happened subsequent to the enactment of this*  
2 *paragraph.”.*

3 **SEC. 305. AUTHORITY TO RESTORE SPOUSAL PENSION BEN-**  
4 **EFITS TO SPOUSES WHO COOPERATE IN**  
5 **CRIMINAL INVESTIGATIONS AND PROSECU-**  
6 **TIONS FOR NATIONAL SECURITY OFFENSES.**

7 *Section 8318 of title 5, United States Code, is amended*  
8 *by adding at the end the following:*

9 *“(e) The spouse of an individual whose annuity or re-*  
10 *tired pay is forfeited under section 8312 or 8313 after the*  
11 *date of enactment of this subsection shall be eligible for*  
12 *spousal pension benefits if the Attorney General of the Unit-*  
13 *ed States determines that the spouse fully cooperated with*  
14 *Federal authorities in the conduct of a criminal investiga-*  
15 *tion and subsequent prosecution of the individual which re-*  
16 *sulted in such forfeiture.”.*

17 **SEC. 306. SECRECY AGREEMENTS USED IN INTELLIGENCE**  
18 **ACTIVITIES.**

19 *Notwithstanding any other provision of law not spe-*  
20 *cifically referencing this section, a nondisclosure policy*  
21 *form or agreement that is to be executed by a person con-*  
22 *nected with the conduct of an intelligence or intelligence-*  
23 *related activity, other than an employee or officer of the*  
24 *United States Government, may contain provisions appro-*  
25 *priate to the particular activity for which such document*

1 *is to be used. Such form or agreement shall, at a minimum,*  
2 *require that the person will not disclose any classified infor-*  
3 *mation received in the course of such activity unless specifi-*  
4 *cally authorized to do so by the United States Government.*

5 **SEC. 307. LIMITATION ON AVAILABILITY OF FUNDS FOR**  
6 **AUTOMATIC DECLASSIFICATION OF RECORDS**  
7 **OVER 25 YEARS OLD.**

8 (a) *IN GENERAL.*—Each agency of the National For-  
9 eign Intelligence Program shall use no more than  
10 \$2,500,000 of the amounts authorized to be appropriated  
11 by this Act to carry out the provisions of section 3.4 of Exec-  
12 utive Order 12958.

13 (b) *REQUIRED BUDGET SUBMISSION.*—The President  
14 shall submit for fiscal year 1997 and each of the following  
15 five years a budget request which specifically sets forth the  
16 funds requested for implementation of section 3.4 of Execu-  
17 tive Order 12958.

18 **TITLE IV—CENTRAL**  
19 **INTELLIGENCE AGENCY**

20 **SEC. 401. EXTENSION OF THE CIA VOLUNTARY SEPARATION**  
21 **PAY ACT.**

22 *Section 2(f) of the Central Intelligence Agency Vol-*  
23 *untary Separation Pay Act (50 U.S.C. 403–4(f)), is amend-*  
24 *ed by striking out “September 30, 1997” and inserting in*  
25 *lieu thereof “September 30, 1999”.*

1 **SEC. 402. VOLUNTEER SERVICE PROGRAM.**

2 (a) *GENERAL AUTHORITY.*—The Director of Central  
3 Intelligence is authorized to establish and maintain a pro-  
4 gram from fiscal years 1996 through 2001 to utilize the  
5 services contributed by not more than 50 annuitants who  
6 serve without compensation as volunteers in aid of system-  
7 atic or mandatory review for declassification or downgrad-  
8 ing of classified information of the Central Intelligence  
9 Agency under applicable Executive orders governing the  
10 classification and declassification of national security in-  
11 formation and Public Law 102–526.

12 (b) *COSTS INCIDENTAL TO SERVICES.*—The Director  
13 is authorized to use sums made available to the Central In-  
14 telligence Agency by appropriations or otherwise for paying  
15 the costs incidental to the utilization of services contributed  
16 by individuals under subsection (a). Such costs may include  
17 (but need not be limited to) training, transportation, lodg-  
18 ing, subsistence, equipment, and supplies. The Director may  
19 authorize either direct procurement of equipment, supplies,  
20 and services, or reimbursement for expenses, incidental to  
21 the effective use of volunteers. Such expenses or services shall  
22 be in accordance with volunteer agreements made with such  
23 individuals. Sums made available for such costs may not  
24 exceed \$100,000.

25 (c) *APPLICATION OF CERTAIN PROVISIONS OF LAW.*—  
26 A volunteer under this section shall be considered to be a

1 *Federal employee for the purposes of subchapter I of title*  
2 *81 (relating to compensation of Federal employees for work*  
3 *injuries) and section 1346(b) and chapter 171 of title 28*  
4 *(relating to tort claims). A volunteer under this section shall*  
5 *be covered by and subject to the provisions of chapter 11*  
6 *of title 18 of the United States Code as if they were employ-*  
7 *ees or special Government employees depending upon the*  
8 *days of expected service at the time they begin volunteering.*

9 **TITLE V—DEPARTMENT OF DE-**  
10 **FENSE INTELLIGENCE ACTIVI-**  
11 **TIES**

12 **SEC. 501. DEFENSE INTELLIGENCE SENIOR LEVEL POSI-**  
13 **TIONS.**

14 *Section 1604 of title 10, United States Code, is amend-*  
15 *ed to read as follows:*

16 **“§ 1604. Civilian personnel management**

17 *“(a) GENERAL PERSONNEL AUTHORITY.—The Sec-*  
18 *retary of Defense may, without regard to the provisions of*  
19 *any other law relating to the number, classification, or com-*  
20 *penetration of Federal employees—*

21 *“(1) establish such positions for employees in the*  
22 *Defense Intelligence Agency and the Central Imagery*  
23 *Office as the Secretary considers necessary to carry*  
24 *out the functions of that Agency and Office, including*

1       positions designated under subsection (f) as Defense  
2       Intelligence Senior Level positions;

3             “(2) appoint individuals to those positions; and

4             “(3) fix the compensation for service in those po-  
5       sitions.

6       “(b) *AUTHORITY TO FIX RATES OF BASIC PAY;*  
7       *OTHER ALLOWANCES AND BENEFITS.*—(1) The Secretary  
8       of Defense shall, subject to subsection (c), fix the rates of  
9       basic pay for positions established under subsection (a) in  
10      relation to the rates of basic pay provided in subpart D  
11      of part III of title 5 for positions subject to that title which  
12      have corresponding levels of duties and responsibilities. Ex-  
13      cept as otherwise provided by law, an employee of the De-  
14      fense Intelligence Agency or the Central Imagery Office may  
15      not be paid basic pay at a rate in excess of the maximum  
16      rate payable under section 5376 of title 5.

17           “(2) The Secretary of Defense may provide employees  
18      of the Defense Intelligence Agency and the Central Imagery  
19      Office compensation (in addition to basic pay under para-  
20      graph (1)) and benefits, incentives, and allowances consist-  
21      ent with, and not in excess of the levels authorized for, com-  
22      parable positions authorized by title 5.

23           “(c) *PREVAILING RATES SYSTEMS.*—The Secretary of  
24      Defense may, consistent with section 5341 of title 5, adopt  
25      such provisions of that title as provide for prevailing rate

1 *systems of basic pay and may apply those provisions to*  
2 *positions in or under which the Defense Intelligence Agency*  
3 *or the Central Imagery Office may employ individuals de-*  
4 *scribed by section 5342(a)(2)(A) of such title.*

5       “(d) ALLOWANCES BASED ON LIVING COSTS AND EN-  
6 VIRONMENT FOR EMPLOYEES STATIONED OUTSIDE CON-  
7 TINENTAL UNITED STATES OR IN ALASKA.—(1) *In addition*  
8 *to the basic compensation payable under subsection (b), em-*  
9 *ployees of the Defense Intelligence Agency and the Central*  
10 *Imagery Office described in paragraph (3) may be paid an*  
11 *allowance, in accordance with regulations prescribed by the*  
12 *Secretary of Defense, at a rate not in excess of the allowance*  
13 *authorized to be paid under section 5941(a) of title 5 for*  
14 *employees whose rates of basic pay are fixed by statute.*

15       “(2) *Such allowance shall be based on—*

16               “(A) *living costs substantially higher than in the*  
17 *District of Columbia;*

18               “(B) *conditions of environment which—*

19                       “(i) *differ substantially from conditions of*  
20 *environment in the continental United States;*  
21 *and*

22                       “(ii) *warrant an allowance as a recruit-*  
23 *ment incentive; or*

24               “(C) *both of those factors.*

25       “(3) *This subsection applies to employees who—*

1           “(A) are citizens or nationals of the United  
2 States; and

3           “(B) are stationed outside the continental United  
4 States or in Alaska.

5           “(e) *TERMINATION OF EMPLOYEES.*—(1) Notwith-  
6 standing any other provision of law, the Secretary of De-  
7 fense may terminate the employment of any employee of  
8 the Defense Intelligence Agency or the Central Imagery Of-  
9 fice if the Secretary—

10           “(A) considers such action to be in the interests  
11 of the United States; and

12           “(B) determines that the procedures prescribed  
13 in other provisions of law that authorize the termi-  
14 nation of the employment of such employee cannot be  
15 invoked in a manner consistent with the national se-  
16 curity.

17           “(2) A decision by the Secretary of Defense to termi-  
18 nate the employment of an employee under this subsection  
19 is final and may not be appealed or reviewed outside the  
20 Department of Defense.

21           “(3) The Secretary of Defense shall promptly notify  
22 the Permanent Select Committee on Intelligence of the  
23 House of Representatives and the Select Committee on Intel-  
24 ligence of the Senate whenever the Secretary terminates the

1 *employment of any employee under the authority of this*  
2 *subsection.*

3       “(4) *Any termination of employment under this sub-*  
4 *section shall not affect the right of the employee involved*  
5 *to seek or accept employment with any other department*  
6 *or agency of the United States if that employee is declared*  
7 *eligible for such employment by the Director of the Office*  
8 *of Personnel Management.*

9       “(5) *The authority of the Secretary of Defense under*  
10 *this subsection may be delegated only to the Deputy Sec-*  
11 *retary of Defense, the Director of the Defense Intelligence*  
12 *Agency (with respect to employees of the Defense Intel-*  
13 *ligence Agency), and the Director of the Central Imagery*  
14 *Office (with respect to employees of the Central Imagery*  
15 *Office). An action to terminate employment of an employee*  
16 *by any such officer may be appealed to the Secretary of*  
17 *Defense.*

18       “(f) *DEFENSE INTELLIGENCE SENIOR LEVEL POSI-*  
19 *TIONS.—(1) In carrying out subsection (a)(1), the Secretary*  
20 *may designate positions described in paragraph (3) as De-*  
21 *fense Intelligence Senior Level positions. The total number*  
22 *of positions designated under this subsection and in the De-*  
23 *fense Intelligence Senior Executive Service under section*  
24 *1601 of this title may not exceed the number of positions*

1 *in the Defense Intelligence Senior Executive Service as of*  
2 *June 1, 1995.*

3       “(2) *Positions designated under this subsection shall*  
4 *be treated as equivalent for purposes of compensation to the*  
5 *senior level positions to which section 5376 of title 5 is ap-*  
6 *plicable.*

7       “(3) *Positions that may be designated as Defense Intel-*  
8 *ligence Senior Level positions are positions in the Defense*  
9 *Intelligence Agency and Central Imagery Office that (A)*  
10 *are classified above the GS-15 level, (B) emphasize func-*  
11 *tional expertise and advisory activity, but (C) do not have*  
12 *the organizational or program management functions nec-*  
13 *essary for inclusion in the Defense Intelligence Senior Exec-*  
14 *utive Service.*

15       “(4) *Positions referred to in paragraph (3) include De-*  
16 *fense Intelligence Senior Technical positions and Defense*  
17 *Intelligence Senior Professional positions. For purposes of*  
18 *this subsection—*

19               “(A) *Defense Intelligence Senior Technical posi-*  
20 *tions are positions covered by paragraph (3) that in-*  
21 *volve any of the following:*

22                       “(i) *Research and development.*

23                       “(ii) *Test and evaluation.*

24                       “(iii) *Substantive analysis, liaison, or advi-*  
25 *sory activity focusing on engineering, physical*



1           (1) in subsection (a)—

2                   (A) by inserting “(1)” after “(a)”;

3                   (B) by striking out “of the Department of  
4           Defense” and all that follows through “this sub-  
5           section,” and inserting in lieu thereof “described  
6           in subsection (d)”;

7                   (C) by designating the second sentence as  
8           paragraph (2);

9           (2) by striking out subsection (c) and inserting  
10          in lieu thereof the following:

11          “(c) Regulations prescribed under subsection (a) may  
12          not take effect until the Secretary of Defense has submitted  
13          such regulations to—

14                   “(1) the Committee on Armed Services and the  
15                  Select Committee on Intelligence of the Senate; and

16                   “(2) the Committee on National Security and the  
17                  Permanent Select Committee on Intelligence of the  
18                  House of Representatives.”; and

19                   (3) by adding at the end the following new sub-  
20          section:

21          “(d) Subsection (a) applies to civilian personnel of the  
22          Department of Defense who—

23                   “(1) are United States nationals;

24                   “(2) in the case of employees of the Defense Intel-  
25          ligence Agency, are assigned to duty outside the Unit-

1 *ed States and, in the case of other employees, are as-*  
2 *signed to Defense Attaché Offices or Defense Intel-*  
3 *ligence Agency Liaison Offices outside the United*  
4 *States; and*

5 *“(3) are designated by the Secretary of Defense*  
6 *for the purposes of subsection (a).”.*

7 *(b) MILITARY PERSONNEL.—Section 431 of title 37,*  
8 *United States Code, is amended—*

9 *(1) in subsection (a), by striking out “who are*  
10 *assigned to” and all that follows through “of this sub-*  
11 *section” and inserting in lieu thereof “described in*  
12 *subsection (e)”;*

13 *(2) by striking out subsection (d) and inserting*  
14 *in lieu thereof the following:*

15 *“(d) Regulations prescribed under subsection (a) may*  
16 *not take effect until the Secretary of Defense has submitted*  
17 *such regulations to—*

18 *“(1) the Committee on Armed Services and the*  
19 *Select Committee on Intelligence of the Senate; and*

20 *“(2) the Committee on National Security and the*  
21 *Permanent Select Committee on Intelligence of the*  
22 *House of Representatives.”; and*

23 *(3) by adding at the end the following new sub-*  
24 *section:*

1       “(e) Subsection (a) applies to members of the armed  
2 forces who—

3               “(1) are assigned—

4                       “(A) to Defense Attaché Offices or Defense  
5 Intelligence Agency Liaison Offices outside the  
6 United States; or

7                       “(B) to the Defense Intelligence Agency and  
8 engaged in intelligence-related duties outside the  
9 United States; and

10               “(2) are designated by the Secretary of Defense  
11 for the purposes of subsection (a).”.

12 **SEC. 503. EXTENSION OF AUTHORITY TO CONDUCT INTEL-**  
13 **LIGENCE COMMERCIAL ACTIVITIES.**

14       Section 431(a) of title 10, United States Code, is  
15 amended by striking out “1995” and inserting in lieu there-  
16 of “1998”.

17 **SEC. 504. AVAILABILITY OF FUNDS FOR TIER II UAV.**

18       All funds appropriated for fiscal year 1995 for the Me-  
19 dium Altitude Endurance Unmanned Aerial Vehicle (Tier  
20 II) are specifically authorized, within the meaning of sec-  
21 tion 504 of the National Security Act of 1947 (50 U.S.C.  
22 414), for such purpose.

1 **SEC. 505. TEMPORARY PROGRAM TO WAIVE MANDATORY**  
2 **REDUCTIONS TO ANNUITIES.**

3 (a) *GENERAL AUTHORITY.*—The Secretary of Defense  
4 shall establish a program under which the reduction of an-  
5 nnuities under subsection (h) of section 8339 of title 5, Unit-  
6 ed States Code, may be waived to encourage eligible employ-  
7 ees to separate voluntarily from service by retiring to lessen  
8 the possibility of involuntary separations due to reduction  
9 in force at the National Security Agency.

10 (b) *COMPUTATION OF ANNUITY.*—Under this program,  
11 annuities shall be computed under section 8339 of such title  
12 without regard to subsection (h) of such section.

13 (c) *PROGRAM ELIGIBILITY REQUIREMENTS.*—Under  
14 the program established under subsection (a), the waiver of  
15 the annuity reduction may be offered by the Director of the  
16 National Security Agency—

17 (1) to an employee who—

18 (A) is an employee of the National Security  
19 Agency, serving under an appointment without  
20 time limitation, who is in the Civil Service Re-  
21 tirement System and is eligible for an annuity  
22 under section 8336(d)(2) of title 5, United States  
23 Code, other than—

24 (i) a reemployed annuitant under sub-  
25 chapter III of chapter 83 of such title 5;  
26 and

1           (ii) an employee having a disability on  
2           the basis of which such employee is or  
3           would be eligible for disability retirement  
4           under such chapter 83; and

5           (B) is within such occupational groups or  
6           geographic locations, or subject to similar limita-  
7           tions or conditions, as the Director may require;  
8           and

9           (2) for a period not to exceed 90 days during the  
10          period beginning on October 1, 1995, and ending on  
11          September 30, 1996.

12          (d) *PAYMENTS TO THE CIVIL SERVICE RETIREMENT*  
13 *AND DISABILITY FUND.*—In addition to any other payment  
14 which it is required to make under subchapter III of chapter  
15 83 of title 5, United States Code, the National Security  
16 Agency shall remit to the Office of Personnel Management  
17 for deposit in the Treasury of the United States to the credit  
18 of the Civil Service Retirement and Disability Fund the  
19 amount necessary to reimburse the Fund for the additional  
20 costs of the unreduced annuities payable under this section.  
21 Amounts may be made available to make such deposits from  
22 amounts authorized to be appropriated to the National Se-  
23 curity Agency for the fiscal year in which this Act is en-  
24 acted and for the succeeding four fiscal years.

1       (e) *LIMITATION ON AVAILABILITY OF FUNDS.*—No  
2 funds shall be payable under this section based on retire-  
3 ments occurring after September 30, 1996.

4       (f) *REGULATIONS.*—The Secretary shall prescribe such  
5 regulations as may be necessary to carry out this section.

6                               **TITLE VI—TECHNICAL**  
7                               **AMENDMENTS**

8       **SEC. 601. CLARIFICATION WITH RESPECT TO PAY FOR DI-**  
9                               **RECTOR OR DEPUTY DIRECTOR OF CENTRAL**  
10                              **INTELLIGENCE APPOINTED FROM COMMIS-**  
11                              **SIONED OFFICERS OF THE ARMED FORCES.**

12       (a) *CLARIFICATION.*—Subparagraph (C) of section  
13 102(c)(3) of the National Security Act of 1947 (50 U.S.C.  
14 403(c)(3)) is amended to read as follows:

15       “(C) A commissioned officer of the Armed Forces on  
16 active duty who is appointed to the position of Director  
17 or Deputy Director, while serving in such position and  
18 while remaining on active duty, shall continue to receive  
19 military pay and allowances. Funds from which such pay  
20 and allowances are paid shall be reimbursed from funds  
21 available to the Director.”.

22       (b) *TECHNICAL CORRECTIONS.*—(1) Subparagraphs  
23 (A) and (B) of such section are amended by striking out  
24 “pursuant to paragraph (2) or (3)” and inserting in lieu  
25 thereof “to the position of Director or Deputy Director”.

1       (2) *Subparagraph (B) of such section is amended by*  
2 *striking out “paragraph (A)” and inserting in lieu thereof*  
3 *“subparagraph (A)”.*

4 **SEC. 602. CHANGE OF DESIGNATION OF CIA OFFICE OF SE-**  
5 **CURITY.**

6       *Section 701(b)(3) of the National Security Act of 1947*  
7 *(50 U.S.C. 431(b)(3)), is amended by striking out “Office*  
8 *of Security” and inserting in lieu thereof “Office of Person-*  
9 *nel Security”.*

10 **TITLE VII—DEPARTMENT OF**  
11 **STATE INTELLIGENCE ACTIVI-**  
12 **TIES**

13 **SEC. 701. CONSOLIDATION OF WATCH COMPONENT OF THE**  
14 **BUREAU OF INTELLIGENCE AND RESEARCH.**

15       (a) *LIMITATION.*—*The 24-Hour Watch component of*  
16 *the Bureau of Intelligence and Research of the Department*  
17 *of State may not be consolidated into, and its functions*  
18 *may not be transferred to, the Secretary’s Operations Cen-*  
19 *ter of the Department of State until 60 days after the report*  
20 *described in subsection (b) has been submitted by the Sec-*  
21 *retary of State to the Permanent Select Committee on Intel-*  
22 *ligence and the Committee on International Relations of the*  
23 *House of Representatives and the Select Committee on Intel-*  
24 *ligence and the Committee on Foreign Relations of the Sen-*  
25 *ate.*

1       (b) *REPORT.*—The report referred to in subsection (a)  
2 shall include—

3           (1) the measures taken and proposed to be taken  
4 to assure that adequate resources of the Secretary's  
5 Operations Center are dedicated to fulfilling the needs  
6 and requirements of the Bureau of Intelligence and  
7 Research;

8           (2) the measures taken and proposed to be taken,  
9 in consultation with the Director of Central Intel-  
10 ligence particularly with regard to procedures, staff  
11 training, and facilities, to upgrade the ability of the  
12 Secretary's Operations Center to handle highly sen-  
13 sitive information so it is properly safeguarded and  
14 provided to the Bureau of Intelligence and Research  
15 in a timely manner; and

16           (3) a comparison of the cost of the measures nec-  
17 essary to upgrade the Secretary's Operations Center  
18 to fulfill the needs of the Bureau of Intelligence and  
19 Research with the costs of eliminating the 24-Hour  
20 Watch component of the Bureau of Intelligence and  
21 Research.

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