

President for a fiscal year that is submitted to Congress under section 1105(a) of title 31 shall set forth separately the aggregate amount requested for that fiscal year for the National Intelligence Program for each of the following:

- (1) Counterterrorism.
- (2) Counterproliferation.
- (3) Counternarcotics.
- (4) Counterintelligence.

**(b) Election of classified or unclassified form**

Amounts set forth under subsection (a) of this section may be set forth in unclassified form or classified form, at the election of the Director of Central Intelligence.

(July 26, 1947, ch. 343, title V, § 506, as added Pub. L. 107-306, title III, § 311(a), Nov. 27, 2002, 116 Stat. 2390; amended Pub. L. 108-458, title I, § 1074(b)(1)(A), Dec. 17, 2004, 118 Stat. 3694.)

AMENDMENTS

2004—Pub. L. 108-458, § 1074(b)(1)(A)(ii), struck out “Foreign” before “Intelligence” in section catchline.

Subsec. (a). Pub. L. 108-458, § 1074(b)(1)(A)(i), substituted “National Intelligence Program” for “National Foreign Intelligence Program”.

CHANGE OF NAME

Reference to the Director of Central Intelligence or the Director of the Central Intelligence Agency in the Director’s capacity as the head of the intelligence community deemed to be a reference to the Director of National Intelligence. Reference to the Director of Central Intelligence or the Director of the Central Intelligence Agency in the Director’s capacity as the head of the Central Intelligence Agency deemed to be a reference to the Director of the Central Intelligence Agency. See section 1081(a), (b) of Pub. L. 108-458, set out as a note under section 401 of this title.

EFFECTIVE DATE OF 2004 AMENDMENT

For Determination by President that amendment by Pub. L. 108-458 take effect on Apr. 21, 2005, see Memorandum of President of the United States, Apr. 21, 2005, 70 F.R. 23925, set out as a note under section 401 of this title.

Amendment by Pub. L. 108-458 effective not later than six months after Dec. 17, 2004, except as otherwise expressly provided, see section 1097(a) of Pub. L. 108-458, set out in an Effective Date of 2004 Amendment; Transition Provisions note under section 401 of this title.

**§ 415a-1. Budget treatment of costs of acquisition of major systems by the intelligence community**

**(a) Independent cost estimates**

(1) The Director of National Intelligence shall, in consultation with the head of each element of the intelligence community concerned, prepare an independent cost estimate of the full life-cycle cost of development, procurement, and operation of each major system to be acquired by the intelligence community.

(2) Each independent cost estimate for a major system shall, to the maximum extent practicable, specify the amount required to be appropriated and obligated to develop, procure, and operate the major system in each fiscal year of the proposed period of development, procurement, and operation of the major system.

(3)(A) In the case of a program of the intelligence community that qualifies as a major

system, an independent cost estimate shall be prepared before the submission to Congress of the budget of the President for the first fiscal year in which appropriated funds are anticipated to be obligated for the development or procurement of such major system.

(B) In the case of a program of the intelligence community for which an independent cost estimate was not previously required to be prepared under this section, including a program for which development or procurement commenced before December 13, 2003, if the aggregate future costs of development or procurement (or any combination of such activities) of the program will exceed \$500,000,000 (in current fiscal year dollars), the program shall qualify as a major system for purposes of this section, and an independent cost estimate for such major system shall be prepared before the submission to Congress of the budget of the President for the first fiscal year thereafter in which appropriated funds are anticipated to be obligated for such major system.

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

- (A) the completion of any preliminary design review associated with the major system;
- (B) any significant modification to the anticipated design of the major system; or
- (C) any change in circumstances that renders the current independent cost estimate for the major system inaccurate.

(5) Any update of an independent cost estimate for a major system under paragraph (4) shall meet all requirements for independent cost estimates under this section, and shall be treated as the most current independent cost estimate for the major system until further updated under that paragraph.

**(b) Preparation of independent cost estimates**

(1) The Director shall establish within the Office of the Director of National Intelligence for Community Management an office which shall be responsible for preparing independent cost estimates, and any updates thereof, under subsection (a) of this section, unless a designation is made under paragraph (2).

(2) In the case of the acquisition of a major system for an element of the intelligence community within the Department of Defense, the Director and the Secretary of Defense shall provide that the independent cost estimate, and any updates thereof, under subsection (a) of this section be prepared by an entity jointly designated by the Director and the Secretary in accordance with section 2434(b)(1)(A) of title 10.

**(c) Utilization in budgets of President**

(1) If the budget of the President requests appropriations for any fiscal year for the development or procurement of a major system by the intelligence community, the President shall, subject to paragraph (2), request in such budget an amount of appropriations for the development or procurement, as the case may be, of the major system that is equivalent to the amount of appropriations identified in the most current independent cost estimate for the major system for obligation for each fiscal year for which appropriations are requested for the major system in such budget.

(2) If the amount of appropriations requested in the budget of the President for the development or procurement of a major system is less than the amount of appropriations identified in the most current independent cost estimate for the major system for obligation for each fiscal year for which appropriations are requested for the major system in such budget, the President shall include in the budget justification materials submitted to Congress in support of such budget—

(A) an explanation for the difference between the amount of appropriations requested and the amount of appropriations identified in the most current independent cost estimate;

(B) a description of the importance of the major system to the national security;

(C) an assessment of the consequences for the funding of all programs of the National Foreign Intelligence Program in future fiscal years if the most current independent cost estimate for the major system is accurate and additional appropriations are required in future fiscal years to ensure the continued development or procurement of the major system, including the consequences of such funding shortfalls on the major system and all other programs of the National Foreign Intelligence Program; and

(D) such other information on the funding of the major system as the President considers appropriate.

**(d) Inclusion of estimates in budget justification materials**

The budget justification materials submitted to Congress in support of the budget of the President shall include the most current independent cost estimate under this section for each major system for which appropriations are requested in such budget for any fiscal year.

**(e) Definitions**

In this section:

(1) The term “budget of the President” means the budget of the President for a fiscal year as submitted to Congress under section 1105(a) of title 31.

(2) The term “independent cost estimate” means a pragmatic and neutral analysis, assessment, and quantification of all costs and risks associated with the acquisition of a major system, which shall be based on programmatic and technical specifications provided by the office within the element of the intelligence community with primary responsibility for the development, procurement, or operation of the major system.

(3) The term “major system” means any significant program of an element of the intelligence community with projected total development and procurement costs exceeding \$500,000,000 (in current fiscal year dollars), which costs shall include all end-to-end program costs, including costs associated with the development and procurement of the program and any other costs associated with the development and procurement of systems required to support or utilize the program.

(July 26, 1947, ch. 343, title V, §506A, as added Pub. L. 108-177, title III, §312(b)(1), Dec. 13, 2003,

117 Stat. 2607; amended Pub. L. 108-458, title I, §§1071(a)(1)(BB), 1072(a)(6), Dec. 17, 2004, 118 Stat. 3689, 3692.)

AMENDMENTS

2004—Subsec. (a)(1). Pub. L. 108-458, §1071(a)(1)(BB), substituted “Director of National Intelligence” for “Director of Central Intelligence”.

Subsec. (b)(1). Pub. L. 108-458, §1072(a)(6), substituted “Office of the Director of National Intelligence” for “Office of the Deputy Director of Central Intelligence”.

EFFECTIVE DATE OF 2004 AMENDMENT

For Determination by President that amendment by Pub. L. 108-458 take effect on Apr. 21, 2005, see Memorandum of President of the United States, Apr. 21, 2005, 70 F.R. 23925, set out as a note under section 401 of this title.

Amendment by Pub. L. 108-458 effective not later than six months after Dec. 17, 2004, except as otherwise expressly provided, see section 1097(a) of Pub. L. 108-458, set out in an Effective Date of 2004 Amendment; Transition Provisions note under section 401 of this title.

EFFECTIVE DATE

Pub. L. 108-177, title III, §312(c), Dec. 13, 2003, 117 Stat. 2609, provided that: “The amendments made by subsection (b) [enacting this section] shall take effect on the date of the enactment of this Act [Dec. 13, 2003].”

CONGRESSIONAL FINDINGS

Pub. L. 108-177, title III, §312(a), Dec. 13, 2003, 117 Stat. 2606, provided that: “Congress makes the following findings:

“(1) Funds within the National Foreign Intelligence Program often must be shifted from program to program and from fiscal year to fiscal year to address funding shortfalls caused by significant increases in the costs of acquisition of major systems by the intelligence community.

“(2) While some increases in the costs of acquisition of major systems by the intelligence community are unavoidable, the magnitude of growth in the costs of acquisition of many major systems indicates a systemic bias within the intelligence community to underestimate the costs of such acquisition, particularly in the preliminary stages of development and production.

“(3) Decisions by Congress to fund the acquisition of major systems by the intelligence community rely significantly upon initial estimates of the affordability of acquiring such major systems and occur within a context in which funds can be allocated for a variety of alternative programs. Thus, substantial increases in costs of acquisition of major systems place significant burdens on the availability of funds for other programs and new proposals within the National Foreign Intelligence Program.

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

“(5) Recognizing the benefits associated with independent cost estimates for the acquisition of major systems, the Secretary of Defense has built upon the statutory requirement in section 2434 of title 10, United States Code, to develop and consider independent cost estimates for the acquisition of such systems by mandating the use of such estimates in budget requests of the Department of Defense.

“(6) The mandatory use throughout the intelligence community of independent cost estimates for the acquisition of major systems will assist the President and Congress in the development and funding of budgets which more accurately reflect the requirements and priorities of the United States Government for intelligence and intelligence-related activities.”

LIMITATIONS ON MAJOR SYSTEM PROCUREMENT,  
ACQUISITION, AND DEVELOPMENT

Pub. L. 108-177, title III, §312(d), Dec. 13, 2003, 117 Stat. 2609, provided that:

“(1)(A) For each major system for which funds have been authorized for a fiscal year before fiscal year 2005, or for which funds are sought in the budget of the President for fiscal year 2005, as submitted to Congress pursuant to section 1105(a) of title 31, United States Code, and for which no independent cost estimate has been provided to Congress, no contract, or option to contract, for the procurement or acquisition of such major system may be entered into, or option to contract be exercised, before the date of the enactment of an Act to authorize appropriations for fiscal year 2005 for intelligence and intelligence-related activities of the United States Government.

“(B) Subparagraph (A) shall not affect any contract for procurement or acquisition that was entered into before the date of the enactment of this Act [Dec. 13, 2003].

“(2) Commencing as of the date of the submittal to Congress of the budget of the President for fiscal year 2006 pursuant to section 1105(a) of title 31, United States Code, no funds may be obligated or expended for the development or procurement of a major system until the President has complied with the requirements of section 506A of the National Security Act of 1947 (as added by subsection (b)) [50 U.S.C. 415a-1] with respect to such major system.

“(3) In this subsection, the terms ‘independent cost estimate’ and ‘major system’ have the meaning given such terms in subsection (e) of section 506A of the National Security Act of 1947 (as so added) [50 U.S.C. 415a-1(e)].”

**§ 415a-2. Exhibits for inclusion with budget justification books**

Beginning with the fiscal year 2010 budget request, the Director of National Intelligence shall include the budget exhibits identified in paragraphs (1) and (2) as described in the Department of Defense Financial Management Regulation with the congressional budget justification books.

(1) For procurement programs requesting more than \$20,000,000 in any fiscal year, the P-1, Procurement Program; P-5, Cost Analysis; P-5a, Procurement History and Planning; P-21, Production Schedule; and P-40<sup>1</sup> Budget Item Justification.

(2) For research, development, test and evaluation projects requesting more than \$10,000,000 in any fiscal year, the R-1, RDT&E Program; R-2, RDT&E Budget Item Justification; R-3, RDT&E Project Cost Analysis; and R-4, RDT&E Program Schedule Profile.

(Pub. L. 110-329, div. C, title VIII, §8107, Sept. 30, 2008, 122 Stat. 3644.)

CODIFICATION

Section was enacted as part of the Department of Defense Appropriations Act, 2009, and also as part of the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, and not as part of the National Security Act of 1947 which comprises this chapter.

SIMILAR PROVISIONS

Provisions similar to those in this section were contained in the following appropriation act:

Pub. L. 111-118, div. A, title VIII, §8100, Dec. 19, 2009, 123 Stat. 3450.

**§ 415a-3. Future-years intelligence program: submission to Congress**

The Director of National Intelligence shall submit to Congress each year, at or about the time that the President’s budget is submitted to Congress that year under section 1105(a) of title 31, a future-years intelligence program (including associated annexes) reflecting the estimated expenditures and proposed appropriations included in that budget. Any such future-years intelligence program shall cover the fiscal year with respect to which the budget is submitted and at least the four succeeding fiscal years.

(Pub. L. 111-118, div. A, title VIII, §8104, Dec. 19, 2009, 123 Stat. 3451.)

CODIFICATION

Section was enacted as part of the Department of Defense Appropriations Act, 2010, and not as part of the National Security Act of 1947 which comprises this chapter.

SIMILAR PROVISIONS

Provisions similar to those in this section were contained in the following prior appropriation act:

Pub. L. 110-329, div. C, title VIII, §8112, Sept. 30, 2008, 122 Stat. 3645.

**§ 415b. Dates for submittal of various annual and semiannual reports to the congressional intelligence committees**

**(a) Annual reports**

(1) The date for the submittal to the congressional intelligence committees of the following annual reports shall be the date each year provided in subsection (c)(1)(A) of this section:

(A) The annual report on intelligence required by section 404d of this title.

(B) The annual report on intelligence provided to the United Nations required by section 404g(b)(1) of this title.

(C) The annual report on the protection of the identities of covert agents required by section 423 of this title.

(D) The annual report of the Inspectors General of the intelligence community on proposed resources and activities of their offices required by section 8H(g) of the Inspector General Act of 1978.

(E) The annual report on the acquisition of technology relating to weapons of mass destruction and advanced conventional munitions required by section 2366 of this title.

(F) The annual report on commercial activities as security for intelligence collection required by section 437(c) of title 10.

(G) The annual update on foreign industrial espionage required by section 2170b(b) of the Appendix to this title.

(H) The annual report on certifications for immunity in interdiction of aircraft engaged in illicit drug trafficking required by section 2291-4(c)(2) of title 22.

(I) The annual report on activities under the David L. Boren National Security Education Act of 1991 (title VIII of Public Law 102-183; 50 U.S.C. 1901 et seq.) required by section 806(a) of that Act (50 U.S.C. 1906(a)).

(N)<sup>1</sup> The annual report on hiring and retention of minority employees in the intelligence

<sup>1</sup> So in original. Probably should be followed by a comma.

<sup>1</sup> So in original. There are no subpars. designated “(J)”, “(K)”, “(L)”, or “(M)”.