

laundering offenders, including those engaged in the laundering of proceeds of both financial and drug offenses.

Under the current guidelines, for instance, an offender who launders \$110,000 worth of proceeds would face a range of 37–46 months. Under the Commission's proposed changes, the guideline range would be just 21–27 months in prison. An offender who laundered \$110,000 worth of illegal drug proceeds would receive a sentence of 51–63 months under the current guidelines. The Commission's amendments would change that to 33–41 months.

The money laundering guidelines need to be reviewed, but the changes recommended by the Commission are simply too sweeping. As with the amendments to lower crack sentences, the Department of Justice has urged us to reject the money laundering proposal.

I urge my colleagues to join me in supporting this legislation.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 2879) was agreed to.

Mr. COATS. I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1254

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DISAPPROVAL OF AMENDMENTS RELATING TO LOWERING OF CRACK SENTENCES AND SENTENCES FOR MONEY LAUNDERING AND TRANSACTIONS IN PROPERTY DERIVED FROM UNLAWFUL ACTIVITY.

In accordance with section 994(p) of title 28, United States Code, amendments numbered 5 and 18 of the "Amendments to the Sentencing Guidelines, Policy Statements, and Official Commentary", submitted by the United States Sentencing Commission to Congress on May 1, 1995, are hereby disapproved and shall not take effect.

SEC. 2. REDUCTION OF SENTENCING DISPARITY.

(a) RECOMMENDATIONS.—

(1) IN GENERAL.—The United States Sentencing Commission shall submit to Congress recommendations (and an explanation therefor), regarding changes to the statutes and sentencing guidelines governing sentences for unlawful manufacturing, importing, exporting, and trafficking of cocaine, and like offenses, including unlawful possession, possession with intent to commit any of the forgoing offenses, and attempt and conspiracy to commit any of the forgoing offenses. The recommendations shall reflect the following considerations—

(A) the sentence imposed for trafficking in a quantity of crack cocaine should generally exceed the sentence imposed for trafficking in a like quantity of powder cocaine;

(B) high-level wholesale cocaine traffickers, organizers, and leaders, of criminal activities should generally receive longer sentences than low-level retail cocaine traf-

fickers and those who played a minor or minimal role in such criminal activity;

(C) if the Government establishes that a defendant who traffics in powder cocaine has knowledge that such cocaine will be converted into crack cocaine prior to its distribution to individual users, the defendant should be treated at sentencing as though the defendant had trafficked in crack cocaine; and

(D) an enhanced sentence should generally be imposed on a defendant who, in the course of an offense described in this subsection—

(i) murders or causes serious bodily injury to an individual;

(ii) uses a dangerous weapon;

(iii) uses or possesses a firearm;

(iv) involves a juvenile or a woman who the defendant knows or should know to be pregnant;

(v) engages in a continuing criminal enterprise or commits other criminal offenses in order to facilitate his drug trafficking activities;

(vi) knows, or should know, that he is involving an unusually vulnerable person;

(vii) restrains a victim;

(viii) traffics in cocaine within 500 feet of a school;

(ix) obstructs justice;

(x) has a significant prior criminal record; or

(xi) is an organizer or leader of drug trafficking activities involving five or more persons.

(2) RATIO.—The recommendations described in the preceding subsection shall propose revision of the drug quantity ratio of crack cocaine to powder cocaine under the relevant statutes and guidelines in a manner consistent with the ratios set for other drugs and consistent with the objectives set forth in section 3553(a) of title 28 United States Code.

(b) STUDY.—No later than May 1, 1996, the Department of Justice shall submit to the Judiciary Committees of the Senate and House of Representatives a report on the charging and plea practices of Federal prosecutors with respect to the offense of money laundering. Such study shall include an account of the steps taken or to be taken by the Justice Department to ensure consistency and appropriateness in the use of the money laundering statute. The Sentencing Commission shall submit to the Judiciary Committees comments on the study prepared by the Department of Justice.

Mr. COATS. I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INTELLIGENCE AUTHORIZATION ACT OF FISCAL YEAR 1996

Mr. COATS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 164, S. 922, the intelligence authorization bill.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 922) to authorize appropriations for fiscal year 1996 for intelligence and intelligence related activities of the United States Government.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which

had been reported from the Committee on Armed Services, with an amendment to insert the part printed in italics on page 3, so as to make the bill read:

S. 922

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intelligence Authorization Act for Fiscal Year 1996".

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are authorized to be appropriated for fiscal year 1996 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

- (1) The Central Intelligence Agency.
- (2) The Department of Defense.
- (3) The Defense Intelligence Agency.
- (4) The National Security Agency.
- (5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
- (6) The Department of State.
- (7) The Department of Treasury.
- (8) The Department of Energy.
- (9) The Federal Bureau of Investigation.
- (10) The Drug Enforcement Administration.
- (11) The National Reconnaissance Office.
- (12) The Central Imagery Office.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(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 elements listed in such section, are those specified in the classified Schedule of Authorizations prepared by the Committee of Conference to accompany () of the One Hundred and Fourth Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committee on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the Executive Branch.

(c) SCOPE OF SCHEDULE.—*The Schedule of Authorizations referred to in subsections (a) and (b) is only the Schedule of Authorizations for the National Foreign Intelligence Program (NFIP).*

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 1996 under section 102 of this Act when the Director determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community (as defined in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401(4)), exceed 2 percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate prior to exercising the authority granted by this section.

SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—(1) There is authorized to be appropriated for the Intelligence Community Management Account of the Director of Central Intelligence for fiscal year 1996 the sum of \$98,283,000.

(2) Funds made available under paragraph (1) for the Advanced Research and Development Committee and the Environmental Task Force shall remain available until September 30, 1997.

(b) **AUTHORIZED PERSONNEL LEVELS.**—The Community Management Staff of the Director of Central Intelligence is authorized 247 full-time personnel as of September 30, 1996. Such personnel of the Community Management Staff may be permanent employees of the Community Management Staff or personnel detailed from other elements of the United States Government.

(c) **REIMBURSEMENT.**—During the fiscal year 1996, any officer or employee of the United States or any member of the Armed Forces who is detailed to the Community Management Staff from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM**SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 1996 the sum of \$213,900,000.

TITLE III—GENERAL PROVISIONS**SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.**

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

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

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

SEC. 303. APPLICATION OF SANCTIONS TO INTELLIGENCE ACTIVITIES.

The National Security Act of 1947 (50 U.S.C.401 et seq.) is amended by adding at the end thereof the following new title:

“TITLE VIII—APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES**“SEC. 801. DELAY OF SANCTIONS.**

“Notwithstanding any other provision of law, the President may delay the imposition of a sanction related to the proliferation of weapons of mass destruction, their delivery systems, or advanced conventional weapons when he determines that to proceed without delay would seriously risk the compromise of a sensitive intelligence source or method or an ongoing criminal investigation. The President shall terminate any such delay as soon as it is no longer necessary to that purpose.

“SEC. 802. REPORTS.

“Whenever the President makes the determination required pursuant to section 801, the President shall promptly report to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on

Intelligence of the House of Representatives the rationale and circumstances that led the President to exercise the authority under section 801 with respect to an intelligence source or method, and to the Judiciary Committees of the Senate and the House of Representatives the rationale and circumstances that led the President to exercise the authority under section 801 with respect to an ongoing criminal investigation. Such report shall include a description of the efforts being made to implement the sanctions as soon as possible and an estimate of the date on which the sanctions will become effective.”.

SEC. 304. THRIFT SAVINGS PLAN FORFEITURE.

(a) **IN GENERAL.**—Section 8432(g) of title 5, United States Code, is amended by adding at the end the following new paragraph:

“(5) Notwithstanding any other provision of law, contributions made by the Government for the benefit of an employee under subsection (c), and all earnings attributable to such contributions, shall be forfeited if the employee’s annuity, or that of a survivor or beneficiary, is forfeited pursuant to subchapter II of chapter 83 of this title.”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to offenses upon which the requisite annuity forfeitures are based occurring on or after the date of enactment of this Act.

SEC. 305. AUTHORITY TO RESTORE SPOUSAL PENSION BENEFITS TO SPOUSES WHO COOPERATE IN CRIMINAL INVESTIGATIONS AND PRECAUTIONS FOR NATIONAL SECURITY OFFENSES.

Section 8312 of title 5, United States Code, is amended by adding at the end the following new subsection:

“(e) Notwithstanding any other provision of law, the spouse of an employee whose annuity or retired pay is forfeited under this section or section 8313 after the enactment of this subsection shall be eligible for spousal pension benefits if the Attorney General determines that the spouse fully cooperated with Federal authorities in the conduct of a criminal investigation and subsequent prosecution of the employee.”.

SEC. 306. AMENDMENT TO THE HATCH ACT REFORM AMENDMENTS OF 1993.

Section 7325 of title 5, United States Code, is amended by adding after “section 7323(a)” the following: “and paragraph (2) of section 7323(b)”.

SEC. 307. REPORT ON PERSONNEL POLICIES.

(a) **REPORT REQUIRED.**—Not later than three months after the date of enactment of this Act, the Director of Central Intelligence shall submit to the intelligence committees of Congress a report describing personnel procedures, and recommending necessary legislation, to provide for mandatory retirement for expiration of time in class, comparable to the applicable provisions of section 607 of the Foreign Service Act of 1980 (22 U.S.C. 4007), and termination based on relative performance, comparable to section 608 of the Foreign Service Act of 1980 (22 U.S.C. 4008), for all civilian employees of the Central Intelligence Agency, the National Security Agency, the Defense Intelligence Agency, and the intelligence elements of the Army, Navy, Air Force, and Marine Corps.

(b) **COORDINATION.**—The preparation of the report required by subsection (a) shall be coordinated as appropriate with elements of the intelligence community (as defined in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401(4))).

(c) **DEFINITION.**—As used in this section, the term “intelligence committees of Congress” means the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 308. ASSISTANCE TO FOREIGN COUNTRIES.

(a) **IN GENERAL.**—Notwithstanding any other provision of law, funds authorized to be appropriated by this Act may be used to provide assistance to a foreign country for counterterrorism efforts if—

(1) such assistance is provided for the purpose of protecting the property of the United States Government or the life and property of any United States citizen, or furthering the apprehension of any individual involved in any act of terrorism against such property or persons; and

(2) the appropriate committees of Congress are notified not later than 15 days prior to the provision of such assistance.

(b) **DEFINITION.**—As used in this section, the term “appropriate congressional committees” means the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives.

TITLE IV—CENTRAL INTELLIGENCE AGENCY**SEC. 401. EXTENSION OF THE CIA VOLUNTARY SEPARATION PAY ACT.**

Section 2(f) of the CIA Voluntary Separation Pay Act is amended by striking out “September 30, 1997” and inserting in lieu thereof “September 30, 1999”.

SEC. 402. VOLUNTEER SERVICE PROGRAM.

The Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.) is amended by adding at the end of the following new section:

“SEC. 20. VOLUNTEER SERVICE PROGRAM.

“(a) Notwithstanding any other provision of law, the Director of Central Intelligence is authorized to establish and maintain a program during fiscal years 1996 through 2001 to utilize the services contributed by not more than 50 retired annuitants who serve without compensation as volunteers in aid of the review by the Central Intelligence Agency for declassification or downgrading of classified information under applicable Executive Orders covering the classification and declassification of national security information and Public Law 102-526.

“(b) The Agency is authorized to use sums made available to the Agency by appropriations or otherwise for paying the costs incidental to the utilization of services contributed by individuals who serve without compensation as volunteers in aid of the review by the Agency of classified information, including, but not limited to, the costs of training, transportation, lodging, subsistence, equipment, and supplies. Agency officials may authorize either direct procurement of, or reimbursement for, expenses incidental to the effective use of volunteers, except that provision for such expenses or services shall be in accordance with volunteer agreements made with such individuals and that such sums may not exceed \$100,000.

“(c) Notwithstanding the provision of any other law, individuals who volunteer to provide services to the Agency under this section shall be covered by and subject to the provisions of—

“(1) the Federal Employees Compensation Act; and

“(2) chapter 11 of title 18, United States Code, as if they were employees or special Government employees depending upon the days of expected service at the time they begin their volunteer service.”.

SEC. 403. AUTHORITIES OF THE INSPECTOR GENERAL OF THE CENTRAL INTELLIGENCE AGENCY.

(a) **REPORTS BY THE INSPECTOR GENERAL.**—Section 17(b)(5) of the Central Intelligence Act of 1949 (50 U.S.C. 403q) is amended to read as follows:

“(5) In accordance with section 535 of title 28, United States Code, the Inspector General

shall report to the Attorney General any information, allegation, or complaint received by the Inspector General relating to violations of Federal criminal law that involve a program or operation of the Agency, consistent with such guidelines as may be issued by the Attorney General pursuant to paragraph (2). A copy of all such reports shall be furnished to the Director."

(b) EXCEPTION TO NONDISCLOSURE REQUIREMENT.—Section 17(e)(3)(A) of such Act is amended by inserting after "investigation" the following: "or the disclosure is made to an official of the Department of Justice responsible for determining whether a prosecution should be undertaken".

SEC. 404. REPORT ON LIAISON RELATIONSHIPS.

(a) ANNUAL REPORT.—Section 502 of the National Security Act of 1947 (50 U.S.C. 413a) is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; and"; and

(3) by adding at the end the following:

"(3) annually submit to the intelligence committees a report describing all liaison relationships for the preceding year, including—

"(A) the names of the governments and entities;

"(B) the purpose of each relationship;

"(C) the resources dedicated (including personnel, funds, and materiel);

"(D) a description of the intelligence provided and received, including any reports on human rights violations; and

"(E) any significant changes anticipated.".

(b) DEFINITION.—Section 606 of such Act is amended by adding at the end the following:

"(1) The term 'liaison' means any governmental entity or individual with whom an intelligence agency has established a relationship for the purpose of obtaining information."

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. COMPARABLE OVERSEAS BENEFITS AND ALLOWANCES FOR CIVILIAN AND MILITARY PERSONNEL ASSIGNED TO THE DEFENSE INTELLIGENCE AGENCY.

(a) TITLE 10.—Title 10, United States Code, is amended—

(1) in section 1605(a), by striking "and" after "Defense Attache Offices" and inserting "or"; and

(2) in section 1605(a), by inserting ", and Defense Intelligence Agency employees assigned to duty outside the United States," after "outside the United States,".

(b) TITLE 37.—Title 37, United States Code, is amended—

(1) in section 431(a), by striking "and" after "Defense Attache Offices" and inserting "or"; and

(2) in section 431(a), by inserting ", and members of the armed forces assigned to the Defense Intelligence Agency and engaged in intelligence related duties outside the United States," after "outside the United States".

SEC. 502. AUTHORITY TO CONDUCT COMMERCIAL ACTIVITIES NECESSARY TO PROVIDE SECURITY FOR AUTHORIZED INTELLIGENCE COLLECTION ACTIVITIES ABROAD.

Section 431(a) of title 10, United States Code, is amended by striking "1995" and inserting "2001".

SEC. 503. MILITARY DEPARTMENTS' CIVILIAN INTELLIGENCE PERSONNEL MANAGEMENT SYSTEM: ACQUISITION OF CRITICAL SKILLS.

(a) ESTABLISHMENT OF TRAINING PROGRAM.—Chapter 81 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 1599. Financial assistance to certain employees in acquisition of critical skills

"(a) TRAINING PROGRAM.—The Secretary of Defense shall establish an undergraduate training program with respect to civilian employees in the Military Departments' Civilian Intelligence Personnel Management System that is similar in purpose, conditions, content, and administration to the program which the Secretary of Defense established under section 16 of the National Security Act of 1959 (50 U.S.C. 402 note) for civilian employees of the National Security Agency.

"(b) FUNDING OF TRAINING PROGRAM.—Any payments made by the Secretary to carry out the program required to be established by subsection (a) may be made in any fiscal year only to the extent that appropriated funds are available for that purpose."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of that chapter is amended by adding at the end thereof the following:

"Sec. 1599. Financial assistance to certain employees in acquisition of critical skills."

TITLE VI—FEDERAL BUREAU OF INVESTIGATION

SEC. 601. DISCLOSURE OF INFORMATION AND CONSUMER REPORTS TO FBI FOR COUNTERINTELLIGENCE PURPOSES.

(a) IN GENERAL.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by adding after section 623, the following new section:

"§ 624. Disclosures to FBI for counterintelligence purposes

"(a) IDENTITY OF FINANCIAL INSTITUTIONS.—Notwithstanding section 604 or any other provision of this title, a consumer reporting agency shall furnish to the Federal Bureau of Investigation the names and addresses of all financial institutions (as that term is defined in section 1101 of the Right to Financial Privacy Act of 1978) at which a consumer maintains or has maintained an account, to the extent that information is in the files of the agency, when presented with a written request for that information, signed by the Director of the Federal Bureau of Investigation, or the Director's designee, which certifies compliance with this section. The Director or the Director's designee may make such a certification only if the Director or the Director's designee has determined in writing that—

"(1) such information is necessary for the conduct of an authorized foreign counterintelligence investigation; and

"(2) there are specific and articulable facts giving reason to believe that the consumer—

"(A) is a foreign power (as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978) or a person who is not a United States person (as defined in such section 101) and is an official of a foreign power; or

"(B) is an agent of a foreign power and is engaging or has engaged in an act of international terrorism (as that term is defined in section 101(c) of the Foreign Intelligence Surveillance Act of 1978) or clandestine intelligence activities that involve or may involve a violation of criminal statutes of the United States.

"(b) IDENTIFYING INFORMATION.—Notwithstanding the provisions of section 604 or any other provision of this title, a consumer reporting agency shall furnish identifying information respecting a consumer, limited to name, address, former addresses, places of employment, or former places of employment, to the Federal Bureau of Investigation when presented with a written request, signed by the Director or the Director's des-

ignee, which certifies compliance with this subsection. The Director or the Director's designee may make such a certification only if the Director or the Director's designee has determined in writing that—

"(1) such information is necessary to the conduct of an authorized counterintelligence investigation; and

"(2) there is information giving reason to believe that the consumer has been, or is about to be, in contact with a foreign power or an agent of a foreign power (as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978).

"(c) COURT ORDER FOR DISCLOSURE OF CONSUMER REPORTS.—Notwithstanding section 604 or any other provision of this title, if requested in writing by the Director of the Federal Bureau of Investigation, or a designee of the Director, a court may issue an order ex parte directing a consumer reporting agency to furnish a consumer report to the Federal Bureau of Investigation, upon a showing in camera that—

"(1) the consumer report is necessary for the conduct of an authorized foreign counterintelligence investigation; and

"(2) there are specific and articulable facts giving reason to believe that the consumer whose consumer report is sought—

"(A) is an agent of a foreign power, and

"(B) is engaging or has engaged in an act of international terrorism (as that term is defined in section 101(c) of the Foreign Intelligence Surveillance Act of 1978) or clandestine intelligence activities that involve or may involve a violation of criminal statutes of the United States.

The terms of an order issued under this subsection shall not disclose that the order is issued for purposes of a counterintelligence investigation.

"(d) CONFIDENTIALITY.—No consumer reporting agency or officer, employee, or agent of a consumer reporting agency shall disclose to any person, other than those officers, employees, or agents of a consumer reporting agency necessary to fulfill the requirement to disclose information to the Federal Bureau of Investigation under this section, that the Federal Bureau of Investigation has sought or obtained the identity of financial institutions or a consumer report respecting any consumer under subsection (a), (b), or (c), and no consumer reporting agency or officer, employee, or agent of a consumer reporting agency shall include in any consumer report any information that would indicate that the Federal Bureau of Investigation has sought or obtained such information or a consumer report.

"(e) PAYMENT OF FEES.—The Federal Bureau of Investigation shall, subject to the availability of appropriations, pay to the consumer reporting agency assembling or providing report or information in accordance with procedures established under this section a fee for reimbursement for such costs as are reasonably necessary and which have been directly incurred in searching, reproducing, or transporting books, papers, records, or other data required or requested to be produced under this section.

"(f) LIMIT ON DISSEMINATION.—The Federal Bureau of Investigation may not disseminate information obtained pursuant to this section outside of the Federal Bureau of Investigation, except to other Federal agencies as may be necessary for the approval or conduct of a foreign counterintelligence investigation, or, where the information concerns a person subject to the uniform Code of Military Justice, to appropriate investigative authorities within the military department concerned as may be necessary for the conduct of a joint foreign counterintelligence investigation.

“(g) RULES OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit information from being furnished by the Federal Bureau of Investigation pursuant to a subpoena or court order, in connection with a judicial or administrative proceeding to enforce the provisions of this Act. Nothing in this section shall be construed to authorize or permit the withholding of information from the Congress.

“(h) REPORTS TO CONGRESS.—On a semi-annual basis, the Attorney General shall fully inform the Permanent Select Committee on Intelligence and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and the Select Committee on Intelligence and the Committee on Banking, Housing, and Urban Affairs of the Senate concerning all requests made pursuant to subsections (a), (b), and (c).

“(i) DAMAGES.—Any agency or department of the United States obtaining or disclosing any consumer reports, records, or information contained therein in violation of this section is liable to the consumer to whom such consumer reports, records, or information relate in an amount equal to the sum of—

“(1) \$100, without regard to the volume of consumer reports, records, or information involved;

“(2) any actual damages sustained by the consumer as a result of the disclosure;

“(3) if the violation is found to have been willful or intentional, such punitive damages as a court may allow; and

“(4) in the case of any successful action to enforce liability under this subsection, the costs of the action, together with reasonable attorney fees, as determined by the court.

“(j) DISCIPLINARY ACTIONS FOR VIOLATIONS.—If a court determines that any agency or department of the United States has violated any provision of this section and the court finds that the circumstances surrounding the violation raise questions of whether or not an officer or employee of the agency or department acted willfully or intentionally with respect to the violation, the agency or department shall promptly initiate a proceeding to determine whether or not disciplinary action is warranted against the officer or employee who was responsible for the violation.

“(k) GOOD-FAITH EXCEPTION.—Notwithstanding any other provision of this title, any consumer reporting agency or agent or employee thereof making disclosure of consumer reports or identifying information pursuant to this subsection in good-faith reliance upon a certification of the Federal Bureau of Investigation pursuant to provisions of this section shall not be liable to any person for such disclosure under this title, the constitution of any State, or any law or regulation of any State or any political subdivision of any State.

“(l) LIMITATION OF REMEDIES.—Notwithstanding any other provision of this title, the remedies and sanctions set forth in this section shall be the only judicial remedies and sanctions for violation of this section.

“(m) INJUNCTIVE RELIEF.—In addition to any other remedy contained in this section, injunctive relief shall be available to require compliance with the procedures of this section. In the event of any successful action under this subsection, costs together with reasonable attorney fees, as determined by the court, may be recovered.”

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by adding after the item relating to section 624 the following:

“624. Disclosures to FBI for counterintelligence purposes.”

TITLE VII—TECHNICAL CORRECTIONS

SEC. 701. CLARIFICATION WITH RESPECT TO PAY FOR DIRECTOR OR DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE APPOINTED FROM COMMISSIONED OFFICERS OF THE ARMED FORCES.

Section 102(c)(3)(C) of the National Security Act of 1947 (50 U.S.C. 403(c)(3)(C)) is amended—

(1) by striking “A” before “commissioned” and inserting “An active duty”;

(2) by striking out “(including retired pay)”;

(3) by inserting “an active duty” after “payable to”; and

(4) by striking “a” before “commissioned”.

SEC. 702. CHANGE OF OFFICE DESIGNATION IN CIA INFORMATION ACT.

Section 701(b)(3) of the CIA Information Act of 1984 (50 U.S.C. 431(b)(3)) is amended by striking “Office of Security” and inserting “Office of Personnel Security”.

AMENDMENT NO. 2880 TO THE COMMITTEE AMENDMENT

(Purpose: To exclude from the Schedule of Authorizations the Joint Military Intelligence Programs)

Mr. COATS. Mr. President, I send an amendment to the desk to the committee amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. COATS], for Mr. SPECTER proposes an amendment numbered 2880 to the committee reported amendment.

The amendment is as follows:

In lieu of the matter proposed to be inserted by the Committee amendment to page 3, lines 18 through 21 of the bill, insert the following:

(c) SCOPE OF SCHEDULE.—For fiscal year 1996, the Schedule of Authorizations referred to in subsections (a) and (b) does not include the Schedule of Authorizations for the Joint Military Intelligence Programs (JMIP).

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2880) was agreed to.

The PRESIDING OFFICER. Without objection the committee amendment, as amended, is agreed to.

The committee amendment, as amended, was agreed to.

AMENDMENTS NOS. 2881, 2882, 2883, 2884, EN BLOC.

Mr. COATS. Mr. President, I send four amendments to the desk and ask they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. COATS] proposes en bloc amendments Nos. 2881, 2882, 2883, 2884.

The amendments are as follows:

AMENDMENT NO. 2881

(Purpose: To reduce the total amount of funds authorized to be appropriated for the National Reconnaissance Office of offset the availability of certain prior year appropriations)

On page 11, between lines 14 and 15, insert the following new section:

SEC. 309. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR THE NATIONAL RECONNAISSANCE OFFICE FOR FISCAL YEAR 1996.

The total amount authorized to be appropriated for fiscal year 1996 for the National

Reconnaissance Office (NRO) shall be reduced by an amount equal to the amount by which appropriations for the Department of Defense for fiscal year 1996 are reduced to reflect the availability of funds appropriated prior to fiscal year 1996 that have accumulated in the carry forward accounts for that Office.

Mr. SPECTER. Mr. President, At this time, I join with my colleagues in offering two amendments to address concerns about financial practices and management at the National Reconnaissance Office. The first amendment will reduce the amount authorized to be appropriated for the National Reconnaissance Office in order to eliminate excess carry-forward funds in fiscal year 1996. As the Members are aware, the Conference Committee on the Defense Appropriations Act for Fiscal Year 1996 recently reduced the NRO appropriation in an amount equal to the excess funds accumulated in the carry-forward accounts. The amendment ensures that the cut in Fiscal Year 1996 appropriations for NRO is also reflected in the authorization. The second amendment is designed to prospectively address the NRO carry-forward accounts and financial management generally by imposing a statutory cap of 1 month on carry-forward accounts (in line with DOD general policy); requiring a joint review by the Inspectors General for CIA and DOD of NRO's financial management to evaluate the effectiveness of policies and internal controls over the NRO budget; and requiring the President to report no later than January 30, 1996 on a proposal to subject the budget of the intelligence community to greater executive branch oversight, including the possibility of a statutory financial control officer and greater OMB review of the NRO budget. The President shall also report on the impact, if any, on national security brought about by reduction in the carry forward accounts at NRO.

These amendments addresses an issue that the committee first identified in 1992 but which has received a good deal of press attention in the past several days and has raised questions about the National Reconnaissance Office's financial management practices. It has been alleged that the NRO has accumulated more than \$1 billion in unspent funds without informing the Pentagon, CIA, or Congress. It has been further alleged that this is one more example of how intelligence agencies sometimes use their secret status to avoid accountability. These are serious charges which the committee has been looking into, most recently with a closed hearing on Wednesday, September 27, at which we questioned Mr. George Tenet and Mr. Keith Hall from the Office of the Director of Central Intelligence, and Mr. Jeff Harris and Mr. Jimmie Hill, the Director and Deputy Director of the NRO.

As I have noted, the Intelligence Committee first identified this issue in 1992 when it determined that NRO had accumulated an unusually large sum of

funds in some of its forward-funding accounts. Some forward funding, generally up to 1 month, is normal for NRO research and development accounts to cover unforeseen overruns on contracts and bridge any gaps in fiscal year funding that may result from a delay in appropriations. NRO assured the Committee in 1992 that the excessive funds that had accumulated would be eliminated within 4 years. We now understand that this obligation was not fulfilled. Hence, our amendment reduces the funds in conformance with the appropriations bill.

Let me emphasize, however, that while public attention has focused on one element of those practices—those that involve the carry-forward accounts in the National Reconnaissance Office, a broader inquiry is being undertaken by the Intelligence Committee and is reflected in the second amendment related to the NRO. It is important to determine if the NRO's past financial management practices in this area have been as tight as they should have been. While the NRO sits in the Department of Defense, it is a critical element of the national intelligence community. Thus, it is also essential that we gain an understanding of any management practices which need to be changed in order to strengthen the role of the Director of Central Intelligence so that he can manage more completely the intelligence community. These are some of the issues the Intelligence Committee will be examining in the coming months as it reviews the intelligence community's role in the post-cold-war world and how that community should be restructured or refocused to meet the challenges of this changed environment.

Mr. President, acknowledging that this is just one step in a broader effort to address legitimate public concerns about the NRO and the intelligence community as a whole, I urge adoption of these amendments.

AMENDMENT NO. 2882

(Purpose: To provide for improvements in the financial management of the National Reconnaissance Office) At the appropriate place in the bill, insert the following new section:

SEC. 310. FINANCIAL MANAGEMENT OF THE NATIONAL RECONNAISSANCE OFFICE.

(a) **LIMITATION.**—No funds are authorized to be carried over into FY 1997 or subsequent years for the programs, projects, and activities of the National Reconnaissance Office in excess of the amount necessary to provide for the ongoing mission of the NRO for one month."

(b) **MANAGEMENT REVIEW.**—(1) The Inspector General for the Central Intelligence Agency and the Inspector General of the Department of Defense shall jointly undertake a comprehensive review of the financial management of the National Reconnaissance Office to evaluate the effectiveness of policies and internal controls over the budget of the National Reconnaissance Office, including the use of forward funding, to ensure that National Reconnaissance Office funds are used in accordance with the policies of the Director of Central Intelligence and the

Department of Defense, the guidelines of the National Reconnaissance Office, and congressional direction.

(2) The review required by paragraph (1) shall—

(A) determine the quality of the development and implementation of the budget process within the National Reconnaissance Office at both the comptroller and directorate level;

(B) assess the advantages and disadvantages of the use of incremental versus full funding for contracts entered into by the National Reconnaissance Office;

(C) assess the advantages and disadvantages of the National Reconnaissance Office's use of forward funding;

(D) determine how the National Reconnaissance Office defines, identifies, and justifies forward funding requirements;

(E) determine how the National Reconnaissance Office tracks and manages forward funding;

(F) determine how the National Reconnaissance Office plans to comply with congressional direction regarding forward funding;

(G) determine whether or not a contract entered into by the National Reconnaissance Office has ever encountered a contingency which required the utilization of more than 30 days of forward funding;

(H) consider the proposal by the Director of Central Intelligence for the establishment of a position of a Chief Financial Officer, and assess how the functions to be performed by that officer would enhance the financial management of the National Reconnaissance Office; and

(I) make recommendations, as appropriate, to improve control and management of the budget process of the National Reconnaissance Office.

(3) The President shall submit a report to the appropriate committees of the Congress setting forth the findings of the review required by paragraph (1) not later than 90 days after the date of enactment of this Act, with an interim report provided to those committees not later than 45 days after the date of enactment of this Act.

(c) **REPORT.**—(1) Not later than January 30, 1996, the President shall submit a report to the appropriate committees of the Congress on a proposal to subject the budget of the intelligence community to greater oversight by the Executive branch of Government.

(2) Such report shall include—interalia

(A) consideration of establishing by statute a financial control officer for the National Reconnaissance Office, other elements of the intelligence community, and for the intelligence community as a whole; and

(B) recommendations for procedures to be used by the Office of Management and Budget for review of the budget of the National Reconnaissance Office.

(d) **DEFINITIONS.**—As used in this section:

(1) **INTELLIGENCE COMMUNITY.**—The term "intelligence community" has the meaning given to the term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

Mr. BRYAN. Mr. President, I rise to express deep concerns regarding an example of financial mismanagement and waste within the intelligence community. I offered an amendment to the fiscal year 1996 Intelligence Authorization bill that has been accepted by the full Intelligence Committee and by the Senate. This amendment is intended to put a stop to the rampant mismanagement of funding at the National Reconnaissance Office.

Mr. President, there is a disturbing sense of *deja vu* as I stand here on the floor today. One year ago, I was

shocked to learn that the National Reconnaissance Office was constructing a massive headquarters facility out near Dulles Airport in Virginia. Not only did this facility include floor space far in excess of what was necessary, but the record showed a disturbing lack of candor in informing the congressional oversight committees regarding the scope and expense of this project.

Last week, the public was informed of another example of gross financial mismanagement by the NRO. As the papers reported, the NRO has accumulated more than \$1.5 billion in unspent appropriations. In this time of severe budgetary constraints, when we are cutting Medicare, Medicaid, veterans' benefits, student loan assistance, it is inexcusable that an agency can be hoarding well over a billion dollars.

My amendment includes a number of provisions to ensure this situation is resolved and does not occur again.

First, my amendment directs that the NRO may not carry over more than 1 month in funds into a subsequent fiscal year.

Second, my amendment requires the Department of Defense and Central Intelligence Agency inspectors general to undertake a comprehensive NRO financial management review. This review will not only cover the issue of carry-forward funding, but will also examine the overall effectiveness of policies and internal controls over the NRO budget. The amendment also requires that the IG report is unclassified, and can be released to the public.

Finally, my amendment directs the President to report to the Intelligence Committees early next year on a proposal to subject the budget of the intelligence community to greater executive branch oversight. The report must include procedures to allow the Office of Management and Budget to have full review of the NRO budget.

I recently received a call from Director of Central Intelligence Dr. John Deutch on this issue. I was pleased by Dr. Deutch's comments in which he agreed that stronger financial controls over the NRO are necessary. Dr. Deutch also stated that he was not aware of the size of this carry-forward account either in his previous position as Deputy Secretary of Defense, or in his current position.

It is unfortunate that this amendment is necessary. But these latest revelations do great damage to the public's trust, and to the credibility of the NRO and the Intelligence Community as a whole. The NRO seems to be an agency that is out of control, with no intention of correcting its ways. Hopefully, opening the NRO budget to increased scrutiny will help restore confidence in the ability of the NRO to accomplish its important mission.

Thank you, and I yield the floor.

AMENDMENT NO. 2883

(Purpose: To enhance the capabilities of certain intelligence stations, and to extend the Central Intelligence Agency Voluntary Separation Pay Act)

On page 11, strike lines 17 through 21 and insert the following:

SEC. 401. EXTENSION OF THE CENTRAL INTELLIGENCE AGENCY VOLUNTARY SEPARATION PAY ACT.

(a) EXTENSION OF AUTHORITY.—Section 2(f) of the Central Intelligence Agency Voluntary Separation Pay Act (50 U.S.C. 403-4(f)) is amended by striking “September 30, 1997” and inserting “September 30, 1999”.

(b) REMITTANCE OF FUNDS.—Section 2 of the Central Intelligence Agency Voluntary Separation Pay Act (50 U.S.C. 403-4) is amended by inserting at the end the following new subsection:

“(i) REMITTANCE OF FUNDS.—The Director shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund (in addition to any other payments which the Director is required to make under subchapter III of chapter 83 and subchapter II of chapter 84 of title 5, United States Code), an amount equal to 15 percent of the final basic pay of each employee who, in fiscal year 1998 or fiscal year 1999, retires voluntarily under section 8336, 8412, or 8414 of such title or resigns and to whom a voluntary separation incentive payment has been or is to be paid under this section.”

At the end of title V of the bill, add the following new section:

SEC. 504. ENHANCEMENT OF CAPABILITIES OF CERTAIN INTELLIGENCE STATIONS.

(a) AUTHORITY.—(1) In addition to funds otherwise available for such purpose, the Secretary of the Army is authorized to transfer or reprogram funds for the enhancement of the capabilities of the Bad Aibling Station and the Menwith Hill Station, including improvements of facility infrastructure and quality of life programs at both installations.

(2) The authority of paragraph (1) may be exercised notwithstanding any other provision of law.

(b) FUNDING.—Funds available for the Army for operations and maintenance for any fiscal year shall be available to carry out subsection (a).

(c) CONGRESSIONAL NOTIFICATION.—Whenever the Secretary of the Army determines that an amount to be transferred or reprogrammed under this section would cause the total amounts transferred or reprogrammed in that fiscal year to exceed \$1,000,000, the Secretary shall notify in advance the Select Committee on Intelligence, the Committee on Armed Services, and the Committee on Appropriations of the Senate and the Permanent Select Committee on Intelligence, the Committee on National Security, and the Committee on Appropriations of the House of Representatives and provide a justification for the increased expenditure.

(d) STATUTORY CONSTRUCTION.—Nothing in this section may be construed to modify or obviate existing law or practice with regard to the transfer or reprogramming of substantial sums of money from the Department of the Army to the Bad Aibling or Menwith Hill Stations.

Mr. SPECTER. Mr. President, I offer this amendment along with the vice chairman to address two issues that arose after the committee markup of this bill. The first provision of the amendment is intended to assist the Department of the Army as it assumes Executive Agent responsibility for the Bad Aibling and Menwith Hill stations.

Specifically, this provision would permit the Department of the Army to use up to \$2 million of appropriated O&M funds per annum, at Menwith Hill and Bad Aibling, to rectify infrastructure and quality of life problems. The amendment make clear that it would in no way obviate or modify current law or practice with regard to reprogramming amounts in excess of \$2 million.

At the present time, the Army is prohibited by 31 U.S.C. section 1301, from using appropriated funds to support an NSA installation, notwithstanding the fact that the Army has become the Executive Agent for these field sites. Although the Director of Central Intelligence could use his special authorities under section 104(d) of the National Security Act of 1947, the procedures available under that law are extremely time consuming and were not intended to accommodate relatively minor transfers of funds.

A good example of the problems that this amendment is intended to rectify is contained in a memorandum prepared by a joint NSA/Army inspection team entitled, “DoD Child Development Program Inspection Report” dated June 23, 1995. The memo, which describes the childcare facility at Menwith Hill station states:

The Child Development Center (CDC), originally constructed as an office building, is a 35 year old dilapidated structure with major health and safety violations. The CDC capacity of 89 children cannot accommodate the increasing demands for child care. The current station population includes 289 children ages four and under. As a result of the conversion from a civilian to a military facility, the demographics are changing to younger, junior enlisted personnel with many single parents who will rely on based-provided child care. There are no similar facilities available on the economy...Six major deficiencies, those that severely affect health, safety, and the well-being of staff were identified in this inspection. All five categories relating to health and safety were in major violation.

Last fall, two members of the committee staff visited the Menwith Hill Station and toured its Child Development Center. Their views are fully consistent with the findings described in this memo. The staff can also attest to the fact that there are many other maintenance and quality of life issues at these two facilities, particularly Menwith Hill, that need to be urgently addressed.

My colleagues should understand that this legislation was requested by the Department of the Army and enjoys the full support of the Director of the National Security Agency. It is also worth noting that the Department of the Army has consulted with the Senate Appropriations and Armed Services Committees and encountered no objections.

I ask unanimous consent that a letter from Admiral McConnell requesting this legislation, and the memorandum I quoted from earlier, be included in the RECORD at this point.

The second provision in this amendment is designed to offset the direct

spending cost of the extension of the authority provided for in the CIA Voluntary Separation Pay Act as provided in section 402 of our bill. Specifically, it establishes procedures to conform with the pay-as-you-go provision, section 252, of the Balanced Budget and Emergency Deficit Control Act, by requiring the Director of Central Intelligence to remit to the Treasury an amount equal to 15 percent of the final basic pay of each employee who, in fiscal year 1998 or fiscal year 1999, retires voluntarily or who resigns and to whom a voluntary separation incentive payment has been or is to be paid.

Mr. President, I urge the adoption of this amendment.

AMENDMENT NO. 2884

(Purpose: To require a description and analysis of voluntary separation incentive proposals in the report required by the legislation and for other purposes)

On page 10, line 7, after “(22 U.S.C. 4008),” insert “and to provide for other personnel review systems.”

On page 10, at the end of line 10 add the following new sentence: “The report shall also contain a description and analysis of voluntary separation incentive proposals, including a waiver of the two-percent penalty reduction for early retirement.”

Mr. SPECTER. Mr. President, on June 14, 1995, my distinguished colleague and vice chairman of the Select Committee on Intelligence [SSCI], Senator KERREY, and I filed a bill which authorizes appropriations for fiscal year 1996 for the intelligence activities and programs of the United States Government. The Select Committee on Intelligence approved the bill by a unanimous vote on May 24, 1995, and ordered that it be favorably reported. The bill was subsequently referred to the Senate Armed Services Committee [SASC] for up to 30 days, as it has been every year. The Armed Services Committee reported the bill at the end of the 30-day period, on August 4, 1995, with one amendment.

This bill would: Authorize appropriations for fiscal year 1996 for first, the intelligence activities and programs of the United States Government; second, the Central Intelligence Agency Retirement and Disability System; and third, the Community Management Account of the Director of Central Intelligence; authorize the personnel ceilings as of September 30, 1996, for the intelligence activities of the United States and for the Community Management Account of the Director of Central Intelligence; authorize the Director of Central Intelligence, with Office of Management and Budget approval, to exceed the personnel ceilings by up to 2 percent; permit the President to delay the imposition of sanctions related to proliferation of weapons of mass destruction when necessary to protect an intelligence source or method or an ongoing criminal investigation; provide for forfeiture of the U.S. Government contribution to

the Thrift Savings Plan under the Federal Employees Retirement System [FERS], along with interest, if an employee is convicted of national security offenses; restore spousal benefits to the spouse of an employee so convicted if the spouse cooperates in the investigation and prosecution; allow employees of the excepted services to take an active part in certain local elections; amend the Fair Credit Reporting Act to permit the Federal Bureau of Investigation to obtain consumer credit reports necessary to foreign counterintelligence investigations under certain circumstances and subject to appropriate controls on the use of such reports; and make certain other changes of technical nature to existing law governing intelligence agencies.

As it does annually, the committee conducted a detailed review of the administration's budget request for the National Foreign Intelligence Program [NFIP] for fiscal year 1996. The committee also reviewed the administration's fiscal year 1996 request for a new intelligence budget category, called the Joint Military Intelligence Program [JMIP]. The committee's review included a series of briefings and hearings with the Director of Central Intelligence [DCI], the Acting Deputy Assistant Secretary of Defense for Intelligence and Security, and other senior officials from the Intelligence Community, numerous staff briefings, review of budget justification materials and numerous written responses provided by the Intelligence Community to specific questions posed by the committee.

In addition to its annual review of the administration's budget request, the committee performs continuing oversight of various intelligence activities and programs, to include the conduct of audits and reviews by the committee's audit staff. These inquiries frequently lead to actions initiated by the committee with respect to the budget of the activity or program concerned.

The Intelligence Committee's consideration of the authorization bill this year coincides with a major review effort by this committee, its House counterpart, and a Presidential Commission mandated by Congress last year. This review is aimed at examining how changes in the world, particularly since the fall of the Soviet Union, should be reflected in the roles and missions of the intelligence community. A major part of this examination will include determining how the intelligence community might better be organized to accomplish those changing roles and missions.

While this review by the committee is not likely to conclude until early next year, one of the issues already emerging is the need for stronger, more coherent management of the intelligence community. The nominal head of the community, the DCI, must become the de facto head of the community—with the authority to make adjustments and trade-offs between its disparate elements. One example of a

problem resulting, in part, from the lack of unified management is the disconnect between the vast amounts of intelligence we are now capable of collecting and our capacity for analyzing and disseminating that intelligence in a way that is useful for decisionmakers. We cannot afford to continue spending money in one area without ensuring that its objectives are not frustrated by inadequate funding in another. Yet, it is difficult to strike the necessary balance if you do not have the authority to move funding from one area to another.

The same principle is at work in congressional oversight, where a comprehensive and coherent review of intelligence programs is essential. When the SSCI was established in 1976, the Senate, in Senate Resolution 400, chose to give the committee jurisdiction over all intelligence activities, including those of the Department of Defense. "Intelligence activities" are defined very broadly in the charter legislation, but expressly exclude "tactical foreign military intelligence serving no national policymaking function." Over the years, this has been interpreted to mean that programs and activities funded in the [TIARA]—which stands for tactical intelligence and related activities—budget category have been authorized by the Armed Services Committee in the Defense authorization bill, with the SSCI providing recommendations in a letter to the SASC. All activities funded in the NFIP, or National Foreign Intelligence Program, have been authorized by the Intelligence Committee in the Intelligence Authorization Act, which is automatically referred sequentially to the Armed Services Committee before going to the floor.

Traditionally, this breakdown between the strictly tactical activities supporting the battlefield commander—which are logically subject to Armed Services oversight—and activities serving some broader national policymaking function—over which integrated oversight by the Intelligence Committee is essential—has worked well and our two committees have cooperated very closely. Today, however, I believe both committees recognizes that it is increasingly difficult to classify intelligence systems as either strictly national or strictly tactical. The same images of Bosnia taken by aerial reconnaissance can be used simultaneously by Admiral Smith to protect our pilots, by Assistant Secretary of State Holbrooke to show his interlocutors the true situation on the ground, and by the President's National Security Advisor to determine if a change in policy is indicated. U-2 photography of Iraq helps the commanders of our joint task forces enforce the no-fly zones in northern and southern Iraq. Ambassador Madeleine Albright uses the same images to great effect in convincing other countries on the United Nations Security Council to keep in force the sanctions against Iraq.

Budget politics has also contributed to the blurring of the two budget categories. Over the last 5 years the executive branch has moved programs from the national portion of the budget into the tactical, at least in part to get out from under a perceived spending "ceiling" on the national budget. When the administration created the new JMIP budget category this year, a number of these formerly NFIP programs were included.

The committees acknowledge that a number of the programs in this new budget category serve important national policymaking functions and previously have been authorized by this committee—programs like the U-2 spyplane and unmanned aerial vehicles such as those that have provided important intelligence on Bosnia to the decisionmakers at State and in the White House. However, this new budget category also contains some programs that are tactical in nature and would normally have been within the sole jurisdiction of the Armed Services Committee.

When considering how to approach this new budget category for fiscal year 1996, the Intelligence Committee turned to Senate Resolution 400. We determined that the national policymaking-related activities in JMIP meant that it did not fit that statute's definition for items excluded from committee jurisdiction. Thus, the SSCI used the expertise developed from day-to-day oversight of all intelligence activities to formulate authorization recommendations for all of the activities in this program. When the SASC received our bill on sequential, as it routinely does, that committee disagreed with our assertion of authorization jurisdiction.

The Armed Services Committee took the position that the Intelligence Committee had no oversight interest in the JMIP programs and voted to offer an amendment to the Intelligence authorization bill to strip it of all JMIP authorization.

After extensive discussion, we have arrived at a compromise that will allow the Intelligence authorization bill to move forward, recognize the national interest served by the oversight of each of the committees—SSCI and SASC—and set up a mechanism for addressing these issues in the coming year. In order to resolve the disagreement for this year and bring this bill before the Senate in a timely fashion, we have agreed that the Armed Services Committee will authorize and conference JMIP for fiscal year 1996. The Intelligence Committee has provided its JMIP recommendations to the Armed Services Committee, and I think the two committees concur on the details of almost every JMIP activity for this year.

At the same time, the chairmen and ranking members of the two committees agree that this action does not reflect a determination that Senate Resolution 400 does not provide authorizing jurisdiction for the Intelligence Committee over JMIP. It is, rather, a compromise to allow this bill, this year, to go to the floor.

Left unresolved, then, it how the Senate should conduct oversight and authorization of the Intelligence Community in today's changing world. As I have previously noted, there have been significant changes over the years that have been reflected in the way intelligence activities are budgeted. In the coming years, we see even greater change. Our committee, the House Intelligence Committee, and the Brown Commission on Intelligence Roles and Capabilities, are examining what changes should be made in the intelligence community in the post-cold-war world. Together, these efforts comprise the greatest opportunity to improve U.S. intelligence since 1947. Budget categories, and many other familiar features of today's intelligence landscape, are likely to change still further. To make sure that the Senate's authorization process appropriately reflects the changes that have already occurred and that may be coming, Senator KERREY and I, together with Chairman THURMOND and Senator NUNN, have directed our staffs to form a working group to recommend to the two committees how authorization responsibilities should apply to specific categories or activities.

Mr. President, we will be prepared for the future, and I think the Senate and the country will be the beneficiaries of our collaboration. I am most grateful for the vast knowledge and the attitude of constructive cooperation which the President pro tempore and Senator NUNN brought to this problem.

Mr. President, I yield to the distinguished senator from Nebraska.

Mr. KERREY. Mr. President, I rise to describe a bill which has not attracted much attention this year, the intelligence authorization bill for fiscal year 1996. This year the intelligence bill is not the venue for controversies over the foreign policy issues or levels of national security spending, but it is an important piece of legislation nonetheless.

Much has been written about the Presidential Commission and congressional and private sector studies underway to redefine and reorganize the intelligence community. Few have noted that no matter what the outcome of all this discussion, the actual intelligence community, with its real and serious continuing requirements to keep our leaders informed and our military warned, must be budgeted and guided to do its job.

This bill provides the budget authorization and the priorities our intelligence professionals need for the year ahead.

The bill attempts to fix the imbalance between collection, which we have

a great deal of, and processing, where we see shortfalls.

The bill supports efforts to track the transnational targets, threats like terrorism, weapons proliferation, and narcotrafficking, which are directed against us from many countries.

The bill acknowledges the indispensable role of intelligence in monitoring the arms control treaties we entered into, and it funds the systems which provide that intelligence.

The bill supports innovative technologies and the leveraging of private sector achievements and market requirements for the benefit of intelligence.

The bill supports research and development for the agencies whose mission depends on technology, and it addresses the growing imbalance between rising personnel costs and the shrinking availability of research funds.

The intelligence authorization bill also closes some of the remaining loopholes noted in the aftermath of the Ames case. The Intelligence Committee wants to make sure Americans who commit espionage forfeit all the financial gains from their espionage and from their pretense of being loyal American officials. Consequently the bill would require forfeiture of a convicted spy's Thrift Savings Account, if the spy were a civil servant. The bill also provides for the innocent spouse of a convicted spy to keep some of his or her assets, provided he or she cooperates with the authorities regarding the espionage case. Access to personal financial data was a problem in the Ames case, so the bill would permit FBI to have access to consumer credit reports on a suspected spy earlier in the investigative process.

CIA has been criticized for retaining Ames in the clandestine service long after his mediocrity was apparent. Although the great majority of intelligence personnel I meet are clearly talented people making a contribution to their country, the intelligence community's retention of the few people whose performance would get them fired in the private sector is a problem we need to fix. Consequently the bill asks the Director of Central Intelligence to implement an up-or-out policy across the intelligence community, similar to the policies of the State Department and the military. Such a provision would be one of the few positive outcomes of the Ames case. Not only would it strengthen personnel quality, it would also help the intelligence agencies manage their retention and overstrength problems.

The bill supports counterintelligence programs because America has secrets worth protecting, and those secrets are threatened by foreign intelligence services and Americans who would sell those secrets to them. As former DCI Woolsey explained to the committee in our first hearing of this Congress, no one can guarantee that Ames was the last of his breed. Given human nature and the size of the intelligence commu-

nity, it is likely we will see more espionage cases. We don't need witch hunts. We do need vigilance and deterrence.

Many people presumed that the end of the cold war meant the end of spying and secrecy, and the Ames case led them to ask why the material being protected mattered any more. Of course, the costs of Ames' treachery in human lives alone is enough to justify his sentence. A life sentence for what he did is merciful, in my view. But there are additional reasons why our secrets are important, and must be protected.

Simply put, our ability to monitor and predict threats to this country is essential to saving the lives of Americans. Whether intelligence brings the warning of a strategic attack or accidental missile launch, or an impending terrorist attack, or the decision of some foreign leader to develop a clandestine program of biological weapons, our national lives and our individual lives hinge, in part, on the capabilities of the intelligence community. I urge my colleagues to support the intelligence authorization bill.

We buy many expensive things in the name of national security which are never used in combat. We buy some things the Pentagon doesn't even want. Their defenders justify them with theories. The contributions of intelligence are not theoretical. I can take any Member to CIA or the NSA or the NRO or over to the Joint Intelligence Center at the Pentagon and demonstrate how intelligence is being used today to inform and support U.S. policy and U.S. military operations.

We read in the September 27 Washington Post how crucial intelligence is to NATO operations over Bosnia, and how the intelligence is getting to the warfighter so much faster than in the gulf war. The gulf war itself was a triumph of dominant battlefield awareness, to use the current catchphrase. General Schwartzkopf knew vastly more about the enemy and the situation than the Iraqis did about us, and we all saw on television the fruits of that superior intelligence. With these events so fresh on our consciousness it is easy to forget that as essential as it is to support the military with intelligence, the priority customer for intelligence in peacetime must be the President and the policymakers around him.

Who, more than the President, needs a clear understanding of our vulnerabilities and our opportunities? With the best intelligence, the President can shape a policy that addresses the weaknesses of our adversaries and the requirements of our allies. Intelligence is the key to effective policy, and effective policy ought to achieve its goal, most of the time, without the need to employ our Armed Forces in combat. In my view, preventing the war, getting what we want without the war, is far better than having the war.

You can't do that without dominant knowledge.

Once the President has formed the policy, intelligence can also help in its execution. To keep the U.N. Security Council solid in keeping sanctions against Iraq, Ambassador Albright last year showed U-2 photographs of Saddam Hussein's new palaces and continuing weapons programs to ten of her foreign colleagues on the Security Council. Similar images of the killing fields of Bosnia are pinpointing the atrocities there and will be useful as evidence in war crimes trials. United States showed the world North Korea's true purposes at the nuclear facility at Yong Byon.

As these and many other daily cases show, intelligence is a national asset. It plays a national role every day, whether or not our military is engaged somewhere. There used to be a clear distinction between national and tactical intelligence, but the line is blurred today. Increasingly, the same agencies and collection systems that produce intelligence for the national policymaker also support the military, even at the tactical level. The same U-2 mission can bring back information on a Bosnian Serb air defense mission, intelligence for the local NATO, and simultaneously take pictures of refugee flows or mass graves that our policymakers and diplomats can use in their negotiating efforts. This growing dual capability of intelligence is often overlooked by those who associate intelligence exclusively with military operations.

The annual authorization process is a time to ask how our intelligence efforts can maximize their contribution to the nation. There are new directions I believe intelligence must take.

First, intelligence must get closer to its customers. The age of ivory-tower analysis is over. Intelligence managers have been much more responsive to customers in recent years, but more must be done. I would even consider physically moving teams of analysts right into the customers' offices. The intelligence community must also make maximum use of computer-based interactive communication with its customers. The analysts need to get into the customers' heads, so to speak. The challenge is to do so without taking on the policy biases of the customer, because the intelligence must not only be useful and responsive to the customer, it must also be absolutely honest. When the President's policy isn't working, or the efforts of the customer's organization are backfiring, the analyst must tell it like it is. Not all the bravery in national security takes place on the battlefield.

Second, intelligence should be predictive, even risking that its predictions could occasionally be wrong. It should look to the margins of likely future events and trends and analyze the less likely events which would most endanger U.S. interests. As the devaluation of the Mexican peso dem-

onstrated, the less likely events nonetheless sometimes happen, and they can have a deep impact on Americans.

Third, intelligence must adapt to a world which has not only seen the end of Communism, but which is best suited for small, fast-moving, entrepreneurial organizations, a world which puts its greatest premium on knowledge, and a world in which the market, not the government, drives the improvement of technology. This new world brings Director Deutch many new tasks. He must develop his human collectors, planning ten or more years in advance for their peak usefulness, in the same way we acquire satellites. He must modify the personnel management culture that periodically moves people for its own internal bureaucratic purposes. Similarly, the managers of military intelligence personnel must find a place in their services for the handful of military personnel who have mastered foreign languages and cultures. We cannot have a first class HUMINT service without nurturing the people who serve in it, both civilian and military.

The explosion of commercial technology presents big potential advantages to the intelligence community, and it fundamentally challenges traditional methods of procurement. The traditional way to procure intelligence technology is for the government to pay for the research, development, and testing, as well as for the finished product. Consequently, the collection systems and processing and dissemination equipment for the Intelligence community cost the Government a lot of money. The unit cost is also high because the intelligence community buys relatively few of the finished items.

The Government tends to buy hundreds of something unique and pays millions for each one. The commercial world buys millions of something broadly available and pays hundreds for each one. The challenge is to find commercial applications for intelligence equipment, and thus reduce the government's acquisition cost. The Intelligence Committee has supported this approach for several years, starting with permitting U.S. Companies to offer one-meter space imagery and imaging systems to the commercial market. Another trailblazing effort is ongoing at David Sarnoff Laboratories in Princeton, NJ, where researchers have created image analysis equipment which simultaneously answers the needs of intelligence analysts looking for evidence of weapons on the ground and the needs of radiologists looking for evidence of tumors in mammograms. In both uses, this equipment saves lives. It also provides a model for the intelligence community on how to procure the latest equipment more cheaply.

I have spoken about how our intelligence capability should adapt itself to the world of today. Under the leadership of one of the most capable executives and scientists in the country,

this adaptation will proceed swiftly. I only wish the authority of the DCI over other agencies were stronger, so they could get the benefit of strong, centralized leadership. That is an issue for another day. My point today is the central, day-to-day importance of intelligence. The lives of individuals and at times our national life depends on its excellence, it is an essential function of government, and we are not about to block grant it to the states. That is why the intelligence authorization bill is an important piece of legislation.

Mr. THURMOND. Mr. President, I thank the distinguished Senator from Pennsylvania. Mr. President, the Armed Services Committee and the Intelligence Committee have worked closely together over the past nineteen years, and that cooperation is going to grow even closer in the years ahead. The Armed Services Committee greatly appreciates the advice of the Intelligence Committee regarding tactical intelligence programs.

I agree with the distinguished chairman of the Intelligence Committee that the creation of the JMIP budget category is a sign of the times. All the programs in JMIP have been previously found in the tactical category, but several were recently in the national category and others have clear national, as well as tactical, application. In fact, there are very few intelligence activities today that do not have potential benefit for both the policymaker and the tactical military commander. For that reason, the Intelligence Committee sought to have a formal role in authorizing and overseeing JMIP.

I believe that the Committee on Armed Services should be the committee of jurisdiction for JMIP for fiscal year 1996. The Armed Services Committee benefited this year from the Intelligence Committee's work on JMIP, and in almost every case we agreed with the Intelligence Committee. Our close working relationship has resulted in general agreement on the JMIP issues and an efficient allocation of the work to be done.

However, I also agree that this decision to allow JMIP to be authorized in the Defense Authorization bill rather than the Intelligence Authorization bill this year does not reflect a judgment on the scope of authority provided to the Intelligence Committee by Senate Resolution 400.

There is great change on the horizon for intelligence. Major reorganization may occur next year, and our legislative process must keep pace with it. My colleagues on the Committee on Armed Services and I look forward to working with the Intelligence Committee to determine the best way for the Senate to authorize and oversee the JMIP next year, as well as any new categories of intelligence programs that may come out of the newly reorganized intelligence community.

Mr. President, I thank the Senator from Pennsylvania and the Senator

from Nebraska for their cooperation, and I yield the floor.

Mr. KERREY. Mr. President, I rise to endorse the views of my Chairman and Chairman THURMOND. Continued close collaboration between the Intelligence Committee and the Armed Services Committee can only result in the best possible intelligence for the military, together with greater efficiency.

Although the two committees disagree on this jurisdictional issue, in fact the cooperative process worked quite well this year on JMIP. The Intelligence Committee studied the individual JMIP programs in the context of all intelligence activities and the Armed Services Committee looked at them in terms of the military's requirements. On the substance, the two committees are, as usual, in broad agreement. We disagree on one program. I think the merits of that argument are on the side of the Intelligence Committee, but I agree that the Armed Services Committee should have the last word on authorizing programs whose normal function is support to tactical operations.

We have worked out a good solution for this year on JMIP. Next year's possible reorganization of the Intelligence Community could produce a whole new aggregation of intelligence programs. So I look forward to joining in a working group with the Armed Services Committee to determine how the Senate should authorize and oversee these programs so the needs of the policymaker and the tactical commander are fully addressed in the coming years. The Intelligence Committee has great experience and expertise in monitoring all the country's intelligence activities, and we offer them freely to the Senate without concern for turf or pride of authorship.

Mr. President, I yield to the distinguished Senator from Georgia.

Mr. NUNN. Mr. President, I thank the Senator from Nebraska. The Senator from Pennsylvania was quite right when he said that the creation of this new joint military budget account was a sign of the times. The old accounting categories are becoming blurred by the versatility of intelligence systems today. The creation of JMIP put a strain on the relationship between the two committees, but I think we have fixed it for this year in a satisfactory way. Next year may bring additional change, and we are creating an inter-committee working group to determine how we adapt our procedures to the changed circumstances. I understand, and I believe my Intelligence Committee colleagues understand, that each committee has a distinct and complementary role in authorizing these programs. We will do a far better job working together than separately.

Let me explain the Armed Services Committee's concerns about these programs. There have been occasions in the past when the Intelligence Committee and the Armed Services Committee disagreed about systems to sup-

port the military which we and the military thought were extremely important. One of these was Joint STARS, a program that made a great contribution during the gulf war and is now a mainstay of tactical intelligence. We had sole authorization over the budget category of which Joint STARS had a part. If our Committee had not supported it strongly, our military, might not have this system today. So we take our responsibilities regarding intelligence support to the military very seriously. The chairman and vice chairman of the Intelligence Committee are no less serious, and we have six crossover Members to insure that our common efforts keep on track. I am, therefore, confident that our close relation will continue, to the country's benefit.

Mr. KERREY. Mr. President, while I believe this bill is the best that can be achieved during this period of tight budgets and a changing world, there is one part of it that makes me uneasy. All of us were presented earlier this week with media stories that the National Reconnaissance Office once again has secretly kept large sums of money stashed away. Supposedly, DOD, CIA, and the Congress didn't know anything about \$1 billion that had been "hoarded" away in carry-forward accounts.

The committee has already held a hearing on this subject. Based on the information presented and on the tough questions asked by committee members, several things are quite clear.

One, this is not a secret "slush" fund that no one knew anything about. In fact, these were funds maintained in accordance with the appropriate DOD manual. Moreover, DOD has known about the account since at least 1989 when the DOD Inspector General audited the NRO and agreed with the NRO's proposal on the size and method of accounting for these funds.

Second, the Committee has been overseeing and not overlooking the NRO's budget. We are all very much aware of the debate about the NRO in which the previous Director of Central Intelligence and the Congress were engaged. I say we are aware of it because even though the NRO's activities are highly classified—and they should be for good reasons—the news media carried the stories about the intensity of the debate between the Committee and the DIC. That debate has ended because we have a new DCI, and the Committee is moving ahead with its close scrutiny of the NRO.

Third, the manager's amendment to the bill conforms our authorization level for the NRO's carry-forward accounts to the amount of the reductions in these accounts legislated by the Defense appropriations conference bill. The committee has done this so we can move ahead to a conference with our House counterparts. But, Mr. President, I want everyone to understand the implications of what is happening here.

In the opinion of the Director of the Intelligence Community Management Staff, the cuts being taken against these accounts could have far-reaching effects on the country's ability to collect extremely valuable information involving our most vital interests. The National Reconnaissance Office collects sensitive information better than anyone else, anywhere else in the world. Let me repeat that: no one, anywhere—the Russians, the French, the Germans, the Japanese, even DOD—is better at this business than the NRO.

If any of my colleagues believes I may be exaggerating about the importance and usefulness of this information, let me make a standing invitation to those of my colleagues who might have doubts. You can pick any day of any week, and we will go together to find out what the NRO has collected, and is collecting on that day. I can guarantee you, you will walk away from the experience with a far better appreciation of just how good our satellite systems are, and with a better understanding that the NRO's contributions are vital to our military and foreign policy successes.

This year, when the NRO presented its Future Years Defense Plan to the Congress, it gave us a very aggressive plan. It provides for big savings by consolidating operations. It restructures our satellite constellations, moving them away from a Cold War focus and instead directing them against future problems. In order to execute that plan, the NRO says it needs all of the money contained in its request. The size of the cut contained in the Defense appropriations conference bill and mirrored in the manager's amendment offered with the Intelligence Authorization Bill probably means the plan cannot be executed unless the money is restored. So I just want my colleagues to know that if the NRO is correct, next year important satellite programs will be cut and others will be pushed far out into the future if a substantial amount of this money is not restored.

It is very difficult to discuss—in an unclassified statement on the floor of the Senate—the enormous problem this cut could create. I could tell my colleagues that as result of these cuts, when they, or their successors, get a classified briefing in S-407 five years from now, there may not be any satellite images available to help explain the situation. But I don't know for certain if this is true. Nevertheless, I want to alert my colleagues to the potential repercussion this cut could have, if the money is not restored in subsequent years of the NRO's Future Years Defense Plan.

Mr. COHEN. Mr. President, I rise to urge my colleagues to support the fiscal year 1996 intelligence authorization bill. Although most of the programs authorized by this bill remain classified, there are a number of general points that are worth noting as the

Senate considers this important legislation.

First, the time has long since passed when the intelligence budget escaped serious scrutiny within Congress or the executive branch. Let me briefly outline the current process:

Prior to its submission to Congress, the intelligence budget is reviewed by the DCI's Community Management Staff, the Office of the Secretary of Defense, and the Office of Management and Budget.

The intelligence budget is then reviewed by no less than six congressional committees. It is available to all 535 members of Congress, and indeed, every year the Senate Intelligence Committee sends a written invitation to each member of the Senate inviting them to review the President's request and the committee's recommendations. To the best of my knowledge, this degree of access is not available to members of the British or French Parliaments, the Israeli Knesset, or representatives of the world's other great democracies. Every Senator has the right to review the classified annex accompanying this bill prior to voting on it.

In addition to the scrutiny provided by the House and Senate Intelligence, Armed Services, and Appropriations Committees, GAO has personnel who routinely audit a variety of intelligence programs.

The President's Foreign Intelligence Advisory Board [PFIAB] also has access to budget and operational information as does the congressionally mandated Presidential Commission on Intelligence Roles and Missions.

The CIA has a statutory IG with broad powers to investigate programmatic issues as well as alleged improprieties.

In short, the intelligence community's black budget is subjected to careful scrutiny each and every year.

Some may say, if that is all true, how could the NRO secretly hoard over \$1 billion without Congress, DOD, or the DCI being aware of these funds? The fact is that the DOD IG became aware of the NRO's policy with regard to carry forward accounts in 1989. Further, in 1992 the audit staff of the Senate Intelligence Committee uncovered the NRO 3-month carry-forward policy and learned that this policy was a response to increased technical risks associated with launch problems that developed in the mid-eighties. The committee was assured that the 3-month carry-forward policy would be reduced to a 1-month margin by 1996. That did not occur in a timely fashion as promised, and the Congress has intervened to remedy the problem. So I would submit to my colleagues that although the oversight process continues to evolve and improve, it was that very process which brought the NRO carry-forward accounts to light.

I think we all need to be clear about the NRO issue. There is no evidence that funds were misspent or laws bro-

ken. Every dollar was duly authorized and appropriated and every dollar that is taken out of the NRO's so-called carry forward accounts this year will need to be restored in future budgets. The NRO was excessively conservative in its planning and budgeting, which has not increased the overall acquisition costs for satellites, but has reduced the funds available in the near term for other important intelligence programs. That problem has been brought to light and is being rectified.

Because there are a number of misperceptions about the NRO funding issue, as well as other aspects of the intelligence budget, I would like to briefly comment on what we are authorizing in this bill and why it is still necessary, notwithstanding the end of the cold war, to devote considerable resources to intelligence programs.

We are not buying a crystal ball that will bring future events clearly into focus. No matter how much we spend on intelligence, there will never be a foolproof method for predicting the future of Bosnia, Russia, or the Middle East. There are no documents we can acquire, photographs we can take, or sources we can recruit that will foretell the future of these turbulent regions.

As my colleagues may know, the intelligence community was not able to predict the Iraqi invasion of Kuwait with certainty. It is quite possible that Saddam Hussein himself did not decide to proceed with the invasion until the final hours—therefore no matter what access the United States had had in Baghdad the invasion of Kuwait could not have been confidently predicted in advance. What United States intelligence could and did do, however, was provide substantial detail on the Iraqi troop buildup along the Kuwaiti border in the weeks prior to the invasion. Developing a policy in response to the buildup then became a matter for the President and Congress. Then, after the invasion, the intelligence community provided General Schwarzkopf with the information needed to decisively defeat Iraq with a minimum of allied casualties. That is the primary rationale for the programs authorized in this bill—to provide critical information to policymakers and if diplomacy fails, to fight and prevail with a minimum of casualties.

As a member of both the Senate Intelligence and Armed Services Committees, I am keenly aware of the vital linkage between intelligence programs and military operations. Roughly 85 percent of the intelligence budget is executed by the military services or defense department agencies such as the National Reconnaissance Office [NRO], the National Security Agency [NSA], and the Defense Intelligence Agency [DIA]. These agencies, which are designated Combat Support Agencies pursuant to the Goldwater-Nichols Act, provide intelligence and warning in peacetime and direct combat support in wartime. The Defense Depart-

ment is by far the Nation's leading consumer of intelligence information and most of the programs authorized by this bill have been developed in response to military requirements. Many of the systems that support the U.S. military, however, are also used on a daily basis to monitor arms control agreements, detect and track illegal narcotics, monitor the proliferation of weapons of mass destruction, and monitor terrorist organizations. To a large extent, the intelligence produced on these topics is a dividend made possible in peacetime by an intelligence system geared for the wartime requirements of the U.S. military.

My colleagues should also appreciate the fact that the dependence of the U.S. military on sophisticated intelligence systems is increasing. As the U.S. military force structure shrinks, the Pentagon has consciously decided to compensate for smaller numbers of men and equipment by placing increased reliance on sophisticated intelligence and communications systems. Precision guided munitions require precise targeting information; smaller numbers of more advanced ships and planes need to be allocated against the highest priority targets; and as the force structure shrinks each of our remaining military assets becomes more valuable and its potential loss more costly to the military. Further, in many of the politically sensitive conflicts underway in the world today, an option that involves substantial, so-called collateral damage is not a politically viable option for the President. For all of these reasons, the Department of Defense needs and expects voluminous amounts of precise intelligence information to support military operations. In sum, intelligence is a force multiplier that permits the U.S. military to do more with less.

In conclusion, all Senators should understand that the Armed Forces are the primary advocates for the programs in this bill, and the overwhelming majority of the funds this bill authorizes will be executed by the Department of Defense. I should also point out that the DCI has publicly stated that his top priority is support to the U.S. military. As a former Deputy Secretary of Defense, he certainly understands the importance of this mission, and I know he is dedicated to providing the best support possible to our men and women in uniform.

The world we live in is turbulent and dangerous. The proliferation of nuclear, chemical, and biological weapons concerns us all. Terrorism is a continuing threat—one that could become far more dangerous in the future given the spread of weapons of mass destruction. Intelligence is contributing to recent arrests that have severely damaged the Cali cartel. As the Ames case demonstrates, counterintelligence operations remain critical to U.S. national security. And without national intelligence systems, it would be difficult to enter into verifiable arms control

agreements. Yet, even if none of these requirements for intelligence collection existed, the great majority of the spending in this bill would still be necessary to support our men and women in uniform.

For all of these reasons, I believe that intelligence activities remain vital to U.S. national security and this legislation deserves the support of every member of the Senate.

Mr. MACK. Mr. President, I rise to express my strong support for the fiscal year 1996 intelligence authorization bill.

As a member of the Senate Intelligence Committee, as well as the Defense Appropriations Subcommittee, I have been involved in reviewing U.S. intelligence requirements and programs. While most of the programs authorized by this legislation are classified, there is much that can be said in general terms about the importance of this measure.

My colleagues should understand that although the end of the cold war has lessened the threat to the United States, it has not reduced the demands for information imposed on the Intelligence Community by its many consumers. We live in an era described as the "age of information," and that applies to the public sector no less than the private sector. In fact, the instability and turbulence unleashed by the collapse of the Soviet empire has led to increased requests for information on a wide variety of new topics, countries, and conflicts.

For example, in recent years the U.S. has become involved in conflicts in Iraq, Somalia, Haiti, and Bosnia. In each case, the Defense Department has depended on the Intelligence Community for the information necessary to perform assigned military missions with a minimum of risk to U.S. personnel. These operations, including the ongoing U.S. military involvement in Bosnia, should demonstrate beyond any doubt that the demise of the Soviet Union has not led to reduced requirements for intelligence information, either to support the U.S. military, or to support civilian policymakers engaged in arms control, counternarcotics, political or economic negotiations, monitoring international embargoes, or the routine conduct of foreign policy.

Ironically, our national security is becoming more dependent on intelligence collection, rather than less dependent, in the post cold war era. This is primarily the result of a reduced military force structure that is increasingly dependent on superior intelligence to compensate for smaller numbers. For example, the U.S. Army has shrunk from 18 Active Duty Divisions in the mid-eighties to only 10 today. The U.S. Army is now the eighth largest in the world, and it is stretched thin at many points, as in South Korea, where 37,000 U.S. military personnel and 500,000 South Korean soldiers are confronted by a North Korean Army that is twice as large.

The U.S. Navy and Air Force are engaged in similar reductions. The Air Force now has 20 active and reserve fighter wings, down from the 38 fighter wings available during the Reagan Administration. Similarly, the Navy has long since abandoned the goal of a 600 ship fleet and is now planning for a force some 30% smaller. With this reduced force structure, the U.S. can still prevail, even against much larger adversaries fighting close to their own shores, but only if the U.S. maintains superior personnel, weapons systems, and intelligence and communications capabilities. The public and my colleagues should be aware that the overwhelming majority of the funds authorized in this bill directly support, and indeed are executed by, the Department of Defense. There is simply no way to make substantial, additional reductions in intelligence programs without harming U.S. military readiness and capabilities.

In addition to the critical support that the Intelligence Community provides the Department of Defense, there are numerous missions performed by the Intelligence Community that are critical to the conduct of U.S. foreign policies. The Intelligence Community makes it possible to verify arms control agreements; it monitors the proliferation of weapons of mass destruction; it provides unique information regarding the intentions of foreign governments; it tracks international terrorism across the globe; and our intelligence agencies operate on a global basis to penetrate the international drug cartels. Many of these missions involve great difficulty and often danger, but there is no substitute for the painstaking work the Intelligence Community quietly performs in many distant lands.

I believe that the contributions made by the Intelligence Community to the war on drugs merit special consideration and increased support. During the confirmation hearings for DCI John Deutch, I expressed my sentiments to the nominee and asked him to consider the evidence presented by William Bennett and John Walters in their article of February 9, 1995, entitled, "Why aren't we attacking the supply of drugs?" The article points out that after the Bush Administration deployed U.S. military forces to help detect and interdict drug shipments in 1989, the price of cocaine increased by some 30% within a year's time, and the number of hospital admissions for cocaine overdoses declined by a roughly similar amount. The DCI responded to my questions on the counternarcotics issues by saying, "And I must say, Senator, just so there is no misunderstanding, I agree with your point, that here is a place that deserves more resources generally by the Intelligence Community, not less."

After the nomination hearings, I wrote the DCI on this issue, and supported increased expenditures for counternarcotics activities during the com-

mittee's budget deliberations. I am pleased to say that the Intelligence Authorization bill contains additional funds for counternarcotics programs that were not in the Administration's request. I am also delighted by the progress that has been made over the last few months in apprehending the leaders of the Cali cartel. U.S. intelligence agencies have contributed to this success and already, once again, the newspapers are reporting an increase in the street price of cocaine. The evidence again clearly suggests that aggressive efforts to attack drug production and transportation can be effective. As a member of the Intelligence Committee, and the Defense Appropriations Subcommittee, I will continue to press for increased counternarcotics efforts by the Defense Department and the Intelligence Community.

Finally, I would like to acknowledge the far-reaching changes being implemented within the Intelligence Community because too often the public only hears the bad news. The Intelligence Community has tightened its belt in terms of both budget and personnel. Substantial changes are being made in the way that the CIA operates overseas; in hiring and promotion practices, and in the way that the CIA interacts with its oversight committees. This Intelligence Community is not treading water—DCI John Deutch is implementing profound changes that will increase efficiency, improve intelligence support to consumers, and rectify the problems recently brought to light in Guatemala and the Ames case. Further, although there was no illegality or impropriety involved, he is working to ensure that the National Reconnaissance Office [NRO] is not overly conservative in estimating costs and risks, leading to excess funds in carry-forward accounts. We are most fortunate, in my view, to have a Director of Central Intelligence who is intimately familiar with military requirements for intelligence as well as the many technical matters which are so critical to modern intelligence collection. I believe that Director Deutch and his team will continue to aggressively implement the changes necessary to assure accountability and restore public confidence in the CIA.

In conclusion, I believe that the Intelligence Community is moving rapidly to keep pace with new missions and new technologies. I also believe that the programs authorized by this bill are vital to the security of the United States and deserve the support of every Senator.

Mr. President, I ask unanimous consent that a copy of a statement recently made by the DCI addressing the future of the Intelligence Community, together with my correspondence with him and a relevant newspaper article on counternarcotics issues, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, May 1, 1995.

Hon. JOHN M. DEUTCH,
Deputy Secretary of Defense, Department of Defense,
The Pentagon, Washington, DC.

DEAR SECRETARY DEUTCH: As you know, I am delighted that the President has nominated you to be the next Director of Central Intelligence. You bring a great deal of energy and integrity to the position, as well as a nearly unique blend of scientific and governmental experience. I look forward to working with you on intelligence issues in the years ahead.

During the course of your confirmation hearings last week, you may recall that I raised the issue of illegal narcotics during both the open and closed sessions. Due to the format of the hearings, however, and the limited amount of time available, I do not feel as though I was able to obtain all the information I sought. Due to the critical importance I attach to this matter, I would therefore like to pursue this issue somewhat further.

Specifically: Would you agree that the experience of the early 1900's indicates that increased spending on interdiction, eradication, and disruption of narcotics organizations can substantially reduce drug use in this country? The information in the article I entered into the record during the open hearing, which I have attached, suggests that we have not reached the point of diminishing marginal returns with regard to intelligence and defense programs intended to reduce the supply of illegal narcotics in the United States. If confirmed, will you task the Crime and Narcotics Center, or other appropriate office, to conduct an assessment of this issue and make the results available to the Committee prior to the August recess?

Does DoD have a threat assessment with regard to illegal narcotics? Despite the rhetoric we often hear, it seems as though drug smuggling is still treated primarily as an issue for law enforcement rather than a national security matter. As you know, threat assessments drive force structure and planning within the Department of Defense. If there is a DoD threat assessment that I am not aware of? I would appreciate a copy of the report as well as any supporting documentation which explains how the threat assessment has been converted into programmatic. Again, if a threat assessment is not available, I would like to ask that you task the DCI's Crime and Narcotics Center, or the Department of Defense if appropriate, to produce such an assessment prior to the conferences on the Defense and Intelligence Authorization bills this fall.

I know that you will face many challenges as the next Director of Central Intelligence. There are many threats facing our country in the uncertain world in which we live. It is worth noting, however, that as horrific as terrorism is, the number of Americans who die or suffer mental or physical damage from illegal narcotics is far greater. I believe that there is much more that can and should be done to staunch the massive flow of illegal narcotics into the United States.

I appreciate your consideration of this request. Again, I look forward to working with you in the years ahead.

Sincerely,

CONNIE MACK,
U.S. Senator.

THE FUTURE OF U.S. INTELLIGENCE—
CHARTING A COURSE FOR CHANGE
(By John Deutch, Director of Central Intelligence)

Thank you very much for that introduction.

There are two challenges facing the Intelligence Community today:

First, we must be effective. We must deploy our considerable resources against the most pressing security threats of the post-Cold War era.

Second, we must be accountable. We must carry out our intelligence operations in an efficient and responsible manner. At the same time we must maintain an effective espionage service.

When President Clinton asked me to be the Director of Central Intelligence, he instructed me to make whatever changes were necessary to assure that our nation has the best intelligence service in the world and that we carry out our duties with integrity.

Today I will outline five broad changes underway to make the Intelligence Community—and the CIA in particular—more effective and more accountable. They are not quick fixes. They do not involve massive new legislation or reorganization. These are measures that lay a foundation for fundamental change in the way we do our business. They will strengthen our intelligence capability, they will not tear it down. There are many things that the Intelligence Community does well. We intend to build on these strengths, but we are determined to address the problems that have damaged the reputation and diminished the effectiveness of the Intelligence Community.

These changes are going to require a great deal of work on the part of members of the Community and extensive consultation with the policy makers and military commanders who use our intelligence on a day-to-day basis. I look forward to working with these changes with Members of Congress and others who have the responsibility to review our nation's intelligence programs.

I also want to public to understand what we are doing so that they will have confidence that our intelligence activities are carried out in a manner consistent with this nation's interests and values. Accordingly, our process of reform and change will be open for discussion.

Our success in strengthening the Intelligence Community is of critical importance to all Americans. The nation faces a multitude of challenges that will test our leadership and influence in post-Cold War world: The proliferation of chemical, biological, and nuclear weapons of mass destruction; the activities of hostile countries like Iran, Iraq, and North Korea; the growing threat of international crime, terrorism and narcotics trafficking; and we must maintain the economic security of our nation.

We must also keep an eye on the larger, longer term developments. Will an emergent China redraw the political and economic landscape of Asia? Will Russia abandon its steps toward democracy and return to authoritarian rule?

When President Clinton visited CIA in July he spoke to the importance of intelligence in addressing these challenges and these questions. President Clinton said: "The intelligence I receive informs just about every foreign policy decision we make. It's easy to take it for granted. But we couldn't do without it. Unique intelligence makes it less likely that our forces will be sent into battle, less likely that American lives will have to be put at risk. It gives us the chance to prevent crises rather than forcing us to manage them."

1. CUSTOMER FOCUS

Customer focus is the first change I want to discuss.

Our primary mission in intelligence is to provide the President and other senior leaders with the information they need to make and implement foreign policy.

When the Intelligence Community focuses closely on what intelligence customers need, when we make the policy makers deadlines and requirements our own, we provide superb support. That means getting the right information to the right person at the right time—that goal hasn't changed. But we are changing significantly the way we get the job accomplished.

Interagency intelligence teams have been particularly effective in providing critical, round-the-clock support, from detailed maps of remote areas to human intelligence and amazingly vivid pictures taken from space. For example, both policy makers and military commanders give high marks to Intelligence Community support to humanitarian and peacekeeping operations in Bosnia, Haiti, and Somalia.

Permanent interdisciplinary centers that bring together collectors and analysts from the CIA and other intelligence agencies have also been the most successful approach to the complex transnational issues of weapons proliferation, terrorism, organized crime and narcotics trafficking.

Making sure that our information is the most thorough, most objective available on a day-to-day basis requires discipline on our part, and it requires close and continuous contact with our intelligence customers.

Here I would note that giving policy makers the information that they need is not the same as giving them the intelligence judgments that they would like to see. If we want our products to be used, we also have to maintain an unassailable reputation for objectivity. Any effort to tailor our analysis to policy would quickly destroy our credibility.

Closer contact with our customers begins, but does not end, with the DCI. I am meeting more often with our key intelligence consumers—at least once a week with the Secretary of State, the Secretary of Defense, and the National Security Advisor, and, at least monthly with the Attorney General, the Chairman of the Joint Chiefs, and those officials involved with economic security and trade. And, of course, I meet with the President and Vice President whenever necessary.

This contact and awareness of consumer needs must extend to all working levels of the Intelligence Community. Accordingly, we are assigning more intelligence officers on rotation to policymaking offices and to work on site with military units.

At a time of tight budgets and a proliferation of intelligence challenges, we cannot afford to collect for the sake of collection or pursue every promising technology. Guided by customer needs, the Intelligence Community must exercise discipline in pursuing only those systems that offer significant promise for meeting customer needs better and more cheaply.

For example, we will not only buy expensive new satellites unless there is a significant demand from our national security customers. I have already taken several steps to improve efficiency in the management of our satellite systems.

Defense Secretary Bill Perry and I are putting into place a new decisionmaking process—the new Joint Space Management Board—to assure that both intelligence and military satellite acquisition decisions are made efficiently and meet user needs.

We are also moving toward consolidating the eight agencies now involved in imagery

intelligence into a single National Imagery Agency, organized to serve better the joint military commander in wartime and top policy makers in peacetime. The new National Imagery Agency will put together all aspects of collection, analysis, and distribution of imagery. The goal will be to provide the military commander near real time, all source intelligence that will give our forces a unique "dominant battlefield awareness."

Both these management initiatives will provide better service to our customers and will save money.

2. HUMAN INTELLIGENCE: ASSURING INTEGRITY

The second area I would like to discuss is major change in the CIA's Directorate of Operations, or DO. The DO manages our spies. Even in this day of highly sophisticated satellites and technical collection systems, there are some types of information that can only be collected by people.

Espionage is the core mission of the Central Intelligence Agency. Despite set backs, we must continue to take risks that result in the collection of information that is available by no other means. If we do not take such risks because we are afraid to fail or we are afraid of controversy, then we will fail as an intelligence service in protecting the national security interests of the United States. Therefore we shall not slacken our efforts to recruit informants in hostile governments, terrorist groups or drug trafficking organizations.

Let me be clear, we will continue to need to work with unsavory people. We will actively seek out any individual who can provide important intelligence from within a terrorist cell or a factory supplying arms to a rogue state. Why are we doing this? Because such human intelligence can save American lives or avert conflict.

What will be different is that we will not do these things blindly, without thorough vetting and established procedures for accountability. We will not fool ourselves or fool our customers about the risks we have taken.

The new Deputy Director for Operations has ordered a complete "scrub" of all DO "assets," as the Intelligence Community refers to human agents. This is a rigorous evaluation of each one of the agents that we recruit to give us information. If the information these assets provide is no longer relevant, if we can get the same information elsewhere, if questions of human rights violations or criminal involvement outweigh the value of the information to our national interest, then we will end the relationship with the asset.

We are developing new guidelines to ensure that concerns about human rights and criminal activity are taken into account in recruiting, evaluating and managing assets. The guidelines will also include mandatory steps to provide accurate and timely information to Congressional Oversight Committees and law enforcement agencies.

Thus these new guidelines will allow us to make informed decisions on asset recruitment and retention; this does not mean that we will slacken our efforts to recruit informants in hostile governments, terrorist organizations, or international crime and drug trafficking organizations. To do so would be to deny our government information that leads to actions that better protect our citizens and their interests.

I would like to say a word about covert action—those activities CIA undertakes to influence events overseas that are intended not to be attributable to this country. Since the public controversies of the eighties over Iran-Contra and activities in Central America, we have greatly reduced our capability to engage in covert action. I believe that the

US needs to maintain, and perhaps even expand, covert action as a policy tool. But here again, we will not undertake covert action to support policy objectives, unless it is approved at the highest level of government and only if the President authorizes such action after a scrupulous review process, including timely notification of the appropriate Congressional oversight bodies.

Finally, the Ames case has taught us that counter intelligence—guarding against penetration of our intelligence or national security agencies by agents of a foreign government—requires constant vigilance. I recently created the position of Associate Deputy Director of Operations for Counterintelligence to assure permanent, high level attention to counter intelligence issues.

3. LAW ENFORCEMENT AND INTELLIGENCE

The third area of change is to greatly increase our cooperation with the law enforcement community. In the past, we used the borders of the United States as a convenient dividing line between the responsibilities of intelligence agencies and law enforcement agencies. The CIA handled everything that involved foreign intelligence outside the US. The FBI and the Drug Enforcement Agency handled law enforcement within the US. Unfortunately international criminals, drug traffickers, and terrorists do not respect these neat distinctions that were introduced over a half century ago.

Cooperation between intelligence and law enforcement can produce fantastic success—the arrest of the leaders of the Cali drug cartel in recent months is a tremendous example—but this cooperation has yet to be as effective, extensive, and routine as it needs to be.

President Clinton and Vice President Gore are not satisfied, and correctly so, that we have in place the interagency mechanisms that we need to address these threats adequately. We cannot waste any more time worrying about bureaucratic rivalries that go back to the days of J. Edgar Hoover and Allen Dulles.

It's time for a fresh approach: a new division of responsibility that realistically reflects the pattern of international activity that exists today in terrorism, crime and drugs. The Intelligence Community must learn that in these areas, the law enforcement community—the FBI, the Drug Enforcement Agency, and US Customs—is the customer for intelligence, just as the Department of State and Defense are the customer for intelligence in the national security arena.

And the law enforcement community must accept that it is not necessary or efficient to establish an elaborate new and separate foreign collection system for intelligence.

Intelligence and law enforcement professionals need to develop new procedures that will result in more effective cooperation. For example, intelligence and law enforcement must modify some of their most strongly held beliefs about not sharing information about their sources with each other.

This does not mean that intelligence agencies will spy on US citizens. Our collection activities will not infringe on the rights of US citizens. Nor will CIA or other intelligence agencies take on any law enforcement duties. Attorney General Reno and I are simply seeking to build a new relationship between intelligence and law enforcement that will improve the country's performance in curbing international crime, drugs, and terrorism.

4. CARRYING OUT INTELLIGENCE OPERATIONS IN AN EFFICIENT FASHION

The fourth change that I want to address is the initiation of an integrated approach to resource planning and programming for all the agencies of the Intelligence Community.

In this era of tight budgets, the Intelligence Community has to undergo serious reexamination of its needs and its resources and, indeed, downsizing has been going on for some time—for example, since 1990, the number of people in the Intelligence Community has been reduced by 17% and an additional 10% reduction is planned by the end of the century.

However, up to the present, the Intelligence Community has been relatively free from the systematic planning, programming, and budgeting process that is the hallmark of efficient government.

The reason for this absence of management scrutiny is not because the intelligence budget is "secret." The reason is that intelligence activities are carried out by different agencies—NSA, DIA, CIA—and are carried out under separate budgets. There is no mechanism to compare the budgets of the various intelligence agencies and assess how they contribute to the missions of U.S. intelligence. The present system does not permit resource-saving tradeoff analysis: for example, the possibility of substituting satellites for aircraft imagery or signals collection, or assigning intelligence analysis responsibilities among the different agencies, considering the capabilities of the entire community.

It is the responsibility of the Director of Central Intelligence to review the nation's intelligence budget as a whole and justify it to Congress. As the system now stands, the DCI does not have the tools to do this job properly.

In preparing the FY97 budget, I am insisting that all agencies present their intelligence budgets in a manner that will allow us to make more informed hard decisions on resource allocation.

Simply put, the problem is to make a "symphony" from the diverse instruments represented by the various agencies. We need to assure that all elements of the community work in harmony. A mission oriented Intelligence Community multi-year program period will identify the resources needed to carry out our activities and assess the value of individual programs. An added benefit of this approach is that it will provide a clear description of what the Intelligence Community is doing and what is the value to both President Clinton and to the Congress.

5. IMPROVING THE QUALITY OF THE PEOPLE

The most important element of success in the Intelligence Community is the quality of its people. Historically, we have attracted outstanding and highly motivated individuals. Unfortunately, some parts of the Intelligence Community are in danger of losing the ability to attract and retain the best people. This is particularly true of the Central Intelligence Agency and its Directorate of Operations. The fifth and last change I will discuss today is a new approach to personnel management.

We must replace CIA's personnel system with one that is better suited to the special nature of the work its employees must perform. We must reexamine the use of the polygraph in hiring and create a system that encourages employees to gain wider experience within the agency and discourages the development of barriers between the different directorates and cultures within CIA.

I have assigned CIA's Executive Director the task of reviewing past studies and designing a new system that will allow individuals to advance according to their accomplishments without regard to gender or race, a system that will be perceived as fair by employees throughout CIA. As intelligence officers, it is our job to understand and be able to operate in widely different cultures. A diverse workforce is absolutely essential to our ability to be an effective intelligence Agency in the next century.

This same emphasis on personnel management must extend to all other agencies of the Intelligence Community. All agencies need to recruit top people; all need career development programs; and all need to welcome diversity in the workplace. We need health promotion opportunities that are comparable across the Intelligence Community, and we need a retirement system that upholds the contract we have made with the good people who have dedicated their careers to our national security.

We will need to seek new authority to allow more flexible management of the very special Intelligence Community work force to assure, in a time of downsizing, that there is a reasonable prospect for advancement and provisions for early retirement within the Community.

CONCLUDING REMARKS.

I have presented five fundamental changes that are necessary to improve the performance of the Intelligence Community: a significantly sharper focus on the needs of the intelligence customer; more selective and effective human intelligence; a new cooperative relationship between law enforcement and the Intelligence Community; a more efficient system for allocating the resources of the Intelligence Community; and revitalizing the personnel system to better serve all of the employees of the Intelligence Community.

These changes will enable the Intelligence Community to efficiently and effectively address the intelligence challenges of the post-Cold War era. I will devote my energy and my influence to assuring that each of these changes is made—thoroughly and promptly.

I hope that the media, Congress, and public opinion will give the Intelligence Community a chance to demonstrate what it can do. In a democracy, all the failures become public, the successes do not. It takes good will along with vigilant skepticism to give the intelligence enterprise a fair shake—to balance accounts about past excesses with reporting that assesses current accomplishments. Thank you very much.

[From the New York Times]

COLUMBIA ARRESTS RAISE PRICE OF COCAINE IN NEW YORK CITY (By Clifford Brauss)

Only a few months after the Colombian Government began arresting the top leaders of the Cali drug cartel, law enforcement officials said the supply and potency of cocaine in New York City is dwindling, forcing wholesale and street prices to soar.

In what officials described as the most precipitous shift in almost six years, the wholesale price of cocaine has increased nearly 50 percent since May, while retail prices have gone up 30 percent. Similar increases, they said, are evident in other big Eastern cities dependent on New York-based Cali operatives for supplies.

In addition, they said, recent seizures and intelligence indicate that the size and number of shipments of cocaine into the New York area have declined. Only four months ago, Federal agents say, shipments weighing 1,000 pounds or more were coming into the city in trucks, ships and airplanes; now, they typically weigh less than 200 pounds.

The shifts are also evident in the city's drug markets. Drug dealers in Washington Square Park said this week that the same gram of cocaine that sold for \$50 in May now goes for \$80, an increase that they said was beginning to drive away younger buyers who come to Greenwich Village from New Jersey.

"I've been around 39 years," said one Washington Square dealer, whispering as he gave knowing glances to prospective buyers

walking through the park. "So I know when they bust the big guys in Colombia, that's when the coke goes up."

Law enforcement authorities cautioned that the shifts in supply and price might be temporary, evidence of another periodic realignment of international trafficking networks with little long-lasting importance. But they said that the declining sizes of cocaine shipments and five recent fatal shootings between competing drug gangs in Queens appeared to be strong signs that the world's richest drug trafficking organization is at least going through a painful period of adjustment.

"Maybe it's only a breather that is benefiting the community," said Peter A. Crusco, chief of narcotics investigations in the Queens District Attorney's office "But relatively little is coming in. The big-level people are not risking moving the cocaine."

Officials say cocaine buyers can still find the drug in neighborhoods across the city, but New York police officials say laboratory tests show that dealers are now mixing their small bags and tins of cocaine power with 30 percent more sugar or baking powder to stretch supplies.

On the other hand, officials say supplies and prices of crack—the cocaine-based drug of choice among many poor users—have not been affected, because its purity is low to begin with and abusers need little to become intoxicated.

Though they are encouraged by the tightened supply of cocaine, some police officials expressed concern that shortages of cocaine could eventually increase demand for heroin, which is already gaining in popularity and is mostly distributed by organized crime groups that compete with the Cali cartel.

They also worry that if drug profits continue to be stretched, street gangs competing for customers, territory and supplies could turn more violent, much as they did when crack first became popular in the late 1980's.

Investigators said information collected through wiretaps and informers indicate that supplies of cocaine are being held up in Colombia and Mexico, where they are stockpiled before moving across the border, because the leaders who once personally supervised their release are in jail or on the run. Middle-level traffickers, the wiretaps and informers indicated are holding back shipments, in part because they feared that the captured leaders might be trading information about cartel operations in exchange for more lenient treatment.

"The one person who moved the cocaine between Colombia and Mexico, Miguel Angel Rodriguez Orejuela, is out of commission for at least the moment," said a senior Drug Enforcement Administration official who spoke on condition that he not be named. "One can logically surmise that right now there is a quandary, a state of confusion, and problems with people hooking up with the traffickers both in Colombia and Mexico."

The most striking effect of the arrests in Colombia have so far been at the wholesale level of the drug trade, officials said. Responding to the decreased supplies, several law enforcement officials said top cocaine dealers have increased their prices to their largest distributors to an average of \$26,000 per kilogram, from \$18,000 only four months ago.

In Detroit, the Drug Enforcement Administration has reported an increase in wholesale prices from \$22,000 to \$32,000 per kilogram in the last two months alone.

A bodega owner in Washington Heights with broad knowledge of the cocaine trade in New York said the recent increase had forced middle-level dealers to drop some street sellers, shave profits, dilute their inventory and

hoard supplies in case the current shortages continued.

"A lot of people are just holding onto their good stuff for when prices really go up," he said.

The last time cocaine prices in New York rose so much and so fast was in late 1989, when a shooting war broke out between the Medellin cartel and the Colombian Government. The Medellin group never recovered, but within months the Cali cartel picked up the trafficking slack, and prices returned to normal levels.

State Department and law enforcement officials said that Mexican trafficking groups and smaller Colombian cartels operating on Colombia's northern coast are now jockeying for new markets. Mexican traffickers have already taken control of much of the cocaine market in the Southwest, they said, and wholesale prices there have not risen as sharply as in New York.

But Thomas A. Constantine, the head of the Drug Enforcement Administration, said in a recent interview that there was no cartel waiting in the wings that could match the Cali group's financial resources, political clout in Colombia, and international trafficking connections.

"Nobody out there even compares," he said, saying that the Cali group had already surpassed the Medellin cartel in sophistication and resources at the time of the Medellin group's downfall.

But Mr. Constantine and other officials cautioned that it was too soon to tell how harshly the Colombian authorities would punish the six top Cali leaders they captured this year. United States officials noted that the cartel leaders were able to negotiate some of the terms of their surrender, and none have suffered confiscations of ill-gotten gains like their mountainside mansions or fleets of yachts.

In addition, the United States officials say, the cartel leaders are still able to communicate with their lieutenants sporadically through family members who visit them in jail and by paying off guards. But perhaps because their telephone conversations are being monitored the officials say, they have not directed their underlings to release huge loads of cocaine warehoused in Colombia and Mexico.

Whatever the long-term impact, law-enforcement officials say, the latest price rises demonstrate that the cartel's top leaders direct the most minute details of their cocaine wholesale operations in the New York area. Recent captures of cartel records include items like personnel evaluations and Con Edison bills.

"We have done investigations involving wiretaps," said Robert H. Silbering, the Special Assistant District Attorney in charge of citywide narcotics cases, "that show a direct link from the streets of New York to the estates of Cali."

Mr. COATS. Mr. President, I ask unanimous consent the amendments be agreed to en bloc, the motions to reconsider be laid upon the table en bloc, the bill be then deemed read a third time.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill was deemed read a third time.

Mr. COATS. Further, that the Intelligence Committee be immediately discharged from further consideration of H.R. 1655, the Senate proceed immediately to its consideration, that all after the enacting clause be stricken, the text of S. 922 as amended be inserted, H.R. 1655 then be deemed read a

third time and passed, the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 1655), as amended, was deemed read a third time and passed.

Mr. COATS. Mr. President, I move the Senate insist on its amendment, request a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. SPECTER, Mr. LUGAR, Mr. SHELBY, Mr. DEWINE, Mr. KYL, Mr. INHOFE, Mrs. HUTCHISON, Mr. MACK, Mr. COHEN, Mr. KERREY, Mr. GLENN, Mr. BRYAN, Mr. GRAHAM, Mr. KERRY, Mr. BAUCUS, Mr. JOHNSTON, Mr. ROBB, and, from the Committee on Armed Services, Mr. THURMOND and Mr. NUNN.

The PRESIDING OFFICER. The Senator from Indiana.

DESIGNATING "NATIONAL CHILDREN'S DAY"

Mr. COATS. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of Senate Resolution 178, submitted earlier today by Senator PRESSLER.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 178) designating the second Sunday in October of 1995 as National Children's Day.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. PRESSLER. Mr. President, all parents understand the pride and joy we have in our children. They are the apple of our eyes, our most precious resource, our future, and our hope. Today I rise with many of my colleagues to submit a bipartisan resolution declaring the second Sunday in October, "National Children's Day." National Children's Day is about hope—the hopes we have for children and the hope they should have for themselves.

We live in a rapidly changing world—a world of difficulties and uncertainties for many children. Many children growing up today must overcome tremendous obstacles and challenges, such as drug and alcohol abuse, illiteracy, poverty, pregnancy, physical abuse, absentee parents, and neighborhood violence. How does the future appear for children who do not have a supportive, nurturing environment? To some, the future is uncertain and dark. According to the Children's Defense Fund, 15.7 million children lived in poverty in 1993 and every 98 minutes a child was killed in 1992.

Children need nurturing, guidance, time, understanding and the reassurance of a childhood and hope in their future. The fortunate children receive all the love and support they need.

However, many children do not receive the appreciation they deserve. Children are our most precious human resource, for they hold our future in their hands, hearts, and minds.

Mr. President, you may be interested to learn that the first Children's Day was celebrated on the second Sunday in October 46 years ago on the campus of Notre Dame University. Dr. Patrick McCusker and his wife Mary decided to honor not only their children but children throughout the country. This year marks the 6th year a Senate resolution has commemorated this traditional day.

The intent of National Children's Day has not changed. National Children's Day assures children, as a Nation, that we will be here for them. As a Nation, we will try our best to provide for them, look out for them, and to give them the best our Nation can. National Children's Day reaffirms, that we will keep our children in mind. National Children's Day is a celebration of America's hope in the children of today and tomorrow.

Mr. COATS. I ask unanimous consent the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 178) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 178

Whereas the people of the United States should celebrate children as the most valuable asset of the Nation;

Whereas the children represent the future, hope, and inspiration of the United States;

Whereas the children of the United States should be allowed to feel that their ideas and dreams will be respected because adults in the United States take time to listen;

Whereas many children of the United States face crises of grave proportions, especially as they enter adolescent years;

Whereas it is important for parents to spend time listening to their children on a daily basis;

Whereas modern societal and economic demands often pull the family apart;

Whereas encouragement should be given to families to set aside a special time for all family members to engage together in family activities;

Whereas adults in the United States should have an opportunity to reminisce on their youth to recapture some of the fresh insight, innocence, and dreams that they may have lost through the years;

Whereas the designation of a day to commemorate the children of the United States will provide an opportunity to emphasize to children the importance of developing an ability to make the choices necessary to distance themselves from impropriety and to contribute to their communities;

Whereas the designation of a day to commemorate the children of the Nation will emphasize to the people of the United States the importance of the role of the child within the family and society;

Whereas the people of the United States should emphasize to children the importance

of family life, education, and spiritual qualities; and

Whereas children are the responsibility of all Americans, thus everyone should celebrate the children of the United States, whose questions, laughter, and tears are important to the existence of the United States: Now, therefore, be it

Resolved, That the Senate designates the second Sunday in October of 1995 as "National Children's Day" and requests that the President issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

JOINT MEETING OF CONGRESS AND CLOSING COMMEMORATIONS FOR THE FIFTIETH ANNIVERSARY OF WORLD WAR II

Mr. COATS. Mr. President, I ask unanimous consent the Senate immediately proceed to consideration of Senate Resolution 179, submitted earlier today by Senator THURMOND.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 179) concerning a joint meeting of Congress and the closing of the commemorations for the fiftieth anniversary of World War II.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. THURMOND. Mr. President, I rise today to submit, along with 34 of my colleagues, a resolution which commemorates the 50th anniversary of the end of World War II.

September 2d of this year marked this 50th anniversary. World War II changed the face of the world like no other in our history. We owe this distinction to our veterans, their families, and those who served on the home front to support the war effort. Americans made tremendous sacrifices to protect the ideals of freedom and democracy. Their accomplishments should not be forgotten. Many American men and women answered the call of their country, left their homes and jobs, and boldly entered the war. Civilians on the home front performed the impossible by manufacturing goods at a rate that astonished the world. Our country joined together to ration food and grow victory gardens which aided the war effort. American farmers stepped forward and grew enough produce to support the allied forces.

The troops overseas offered the ultimate sacrifice as they fought in the deserts of North Africa, on the streets of European cities, under the Atlantic Ocean, and on the islands of the Pacific. The Americans that served and died gave the greatest honor possible to their families and their country. We should honor these veterans to show that we are a grateful nation.

Our support of this resolution sends a clear message to all Americans. It is a reminder to them that we will not forget those that answered the call of