

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR
2005

DECEMBER 7, 2004.—Ordered to be printed

Mr. HOEKSTRA, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 4548]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4548), to authorize appropriations for fiscal year 2005 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE.*—This title may be cited as the “Intelligence Authorization Act for Fiscal Year 2005”.

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

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.

Sec. 102. Classified schedule of authorizations.

Sec. 103. Personnel ceiling adjustments.

Sec. 104. Intelligence Community Management Account.

Sec. 105. Incorporation of reporting requirements.

Sec. 106. Specific authorization of funds for intelligence or intelligence-related activities for which fiscal year 2004 appropriations exceed amounts authorized.

Sec. 107. *Preparation and submittal of reports, reviews, studies, and plans relating to intelligence activities of Department of Defense and Department of Energy.*

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

Sec. 201. *Authorization of appropriations.*

TITLE III—GENERAL PROVISIONS

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

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

Sec. 303. *Chief Information Officer.*

Sec. 304. *Improvement of authorities relating to National Virtual Translation Center.*

Sec. 305. *Intelligence assessment on sanctuaries for terrorists.*

Sec. 306. *Sense of Congress on availability to Congress of information on Iraq Oil-For-Food Program of the United Nations.*

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. *Permanent extension of Central Intelligence Agency voluntary separation incentive program.*

Sec. 402. *Intelligence operations and cover enhancement authority.*

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

Sec. 501. *National Security Agency Emerging Technologies Panel.*

Sec. 502. *Use of funds for counterdrug and counterterrorism activities for Colombia.*

TITLE VI—EDUCATION

Subtitle A—National Security Education Program

Sec. 601. *Annual funding.*

Sec. 602. *Improvements to National Flagship Language Initiative.*

Sec. 603. *Scholarship program for English language studies for heritage community citizens of the United States within National Security Education Program.*

Subtitle B—Improvement in Intelligence Community Foreign Language Skills

Sec. 611. *Foreign language proficiency for certain senior level positions in the Central Intelligence Agency.*

Sec. 612. *Advancement of foreign languages critical to the intelligence community.*

Sec. 613. *Pilot project on Civilian Linguist Reserve Corps.*

Sec. 614. *Report on status, consolidation, and improvement of intelligence education programs.*

Sec. 615. *Report on recruitment and retention of qualified instructors of the Defense Language Institute.*

TITLE VII—TERRORISM MATTERS

Sec. 701. *Information on terrorist groups that seek weapons of mass destruction and groups that have been designated as foreign terrorist organizations.*

TITLE VIII—OTHER MATTERS

Sec. 801. *Effective date.*

Sec. 802. *Construction of references to Director of Central Intelligence.*

Sec. 803. *Savings provisions relating to discharge of certain functions and authorities.*

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2005 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 the Treasury.*
- (8) *The Department of Energy.*
- (9) *The Department of Justice.*
- (10) *The Federal Bureau of Investigation.*
- (11) *The National Reconnaissance Office.*
- (12) *The National Geospatial-Intelligence Agency.*
- (13) *The Coast Guard.*
- (14) *The Department of Homeland Security.*

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, 2005, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill H.R. 4548 of the One Hundred Eighth Congress.*

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

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 National Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 2005 under section 102 when the Director of National Intelligence 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, exceed 2 percent of the number of civilian personnel authorized under such section for such element.*

(b) *NOTICE TO INTELLIGENCE COMMITTEES.—The Director of National Intelligence shall promptly notify the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives whenever the Director exercises the authority granted by this section.*

SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

(a) *AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of National Intelligence for fiscal year 2005 the sum of \$310,466,000. Within such amount, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for advanced research and development shall remain available until September 30, 2006.*

(b) *AUTHORIZED PERSONNEL LEVELS.—The elements within the Intelligence Community Management Account of the Director of Na-*

tional Intelligence are authorized 310 full-time personnel as of September 30, 2005. Personnel serving in such elements may be permanent employees of the Intelligence Community Management Account or personnel detailed from other elements of the United States Government.

(c) **CLASSIFIED AUTHORIZATIONS.**—

(1) **AUTHORIZATION OF APPROPRIATIONS.**—In addition to amounts authorized to be appropriated for the Intelligence Community Management Account by subsection (a), there are also authorized to be appropriated for the Intelligence Community Management Account for fiscal year 2005 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts for research and development shall remain available until September 30, 2006.

(2) **AUTHORIZATION OF PERSONNEL.**—In addition to the personnel authorized by subsection (b) for elements of the Intelligence Community Management Account as of September 30, 2005, there are also authorized such additional personnel for such elements as of that date as are specified in the classified Schedule of Authorizations.

(d) **REIMBURSEMENT.**—Except as provided in section 113 of the National Security Act of 1947 (50 U.S.C. 404h), during fiscal year 2005 any officer or employee of the United States or a member of the Armed Forces who is detailed to the staff of the Intelligence Community Management Account 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 National Intelligence.

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

(1) **IN GENERAL.**—Of the amount authorized to be appropriated in subsection (a), \$42,322,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, testing, and evaluation purposes shall remain available until September 30, 2006, and funds provided for procurement purposes shall remain available until September 30, 2007.

(2) **TRANSFER OF FUNDS.**—The Director of National Intelligence shall transfer to the Attorney General funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for the activities of the National Drug Intelligence Center.

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

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

SEC. 105. INCORPORATION OF REPORTING REQUIREMENTS.

(a) **IN GENERAL.**—Each requirement to submit a report to the congressional intelligence committees that is included in the joint explanatory statement to accompany the conference report on the bill

H.R. 4548 of the One Hundred Eighth Congress, or in the classified annex to this Act, is hereby incorporated into this Act, and is hereby made a requirement in law.

(b) **CONGRESSIONAL INTELLIGENCE COMMITTEES DEFINED.**—*In this section, the term “congressional intelligence committees” means—*

- (1) *the Select Committee on Intelligence of the Senate; and*
- (2) *the Permanent Select Committee on Intelligence of the House of Representatives.*

SEC. 106. SPECIFIC AUTHORIZATION OF FUNDS FOR INTELLIGENCE OR INTELLIGENCE-RELATED ACTIVITIES FOR WHICH FISCAL YEAR 2004 APPROPRIATIONS EXCEED AMOUNTS AUTHORIZED.

Funds appropriated for an intelligence or intelligence-related activity of the United States Government for fiscal year 2004 in excess of the amount specified for such activity in the classified Schedule of Authorizations prepared to accompany the Intelligence Authorization Act for Fiscal Year 2004 (Public Law 108–177; 117 Stat. 2599) shall be deemed to be specifically authorized by Congress for purposes of section 504(a)(3) of the National Security Act of 1947 (50 U.S.C. 414(a)(3)). Such funds shall remain available until September 30, 2005.

SEC. 107. PREPARATION AND SUBMITTAL OF REPORTS, REVIEWS, STUDIES, AND PLANS RELATING TO INTELLIGENCE ACTIVITIES OF DEPARTMENT OF DEFENSE AND DEPARTMENT OF ENERGY.

(a) **CONSULTATION IN PREPARATION.**—(1) *The Director of National Intelligence shall ensure that any report, review, study, or plan required to be prepared or conducted by a provision of this Act, including a provision of the classified Schedule of Authorizations referred to in section 102(a) or the classified annex to this Act, that involves the intelligence or intelligence-related activities of the Department of Defense or the Department of Energy is prepared or conducted in consultation with the Secretary of Defense or the Secretary of Energy, as appropriate.*

(2) *The Secretary of Defense or the Secretary of Energy may carry out any consultation required by this subsection through an official of the Department of Defense or the Department of Energy, as the case may be, designated by such Secretary for that purpose.*

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

(1) *The Committee on Armed Services, the Subcommittee on Defense of the Committee on Appropriations, and the Select Committee on Intelligence of the Senate.*

(2) *The Committee on Armed Services, the Subcommittee on Defense of the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives.*

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DIS- ABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 2005 the sum of \$239,400,000.

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. CHIEF INFORMATION OFFICER.

(a) ESTABLISHMENT.—(1) Title I of the National Security Act of 1947, as amended by section 1011(a) of the National Security Intelligence Reform Act of 2004, is further amended by inserting after section 103F the following new section:

“CHIEF INFORMATION OFFICER

“SEC. 103G. (a) CHIEF INFORMATION OFFICER.—To assist the Director of National Intelligence in carrying out the responsibilities of the Director under this Act and other applicable provisions of law, there shall be within the Office of the Director of National Intelligence a Chief Information Officer who shall be appointed by the President, by and with the advice and consent of the Senate.

“(b) CHIEF INFORMATION OFFICER OF INTELLIGENCE COMMUNITY.—The Chief Information Officer shall serve as the chief information officer of the intelligence community.

“(c) DUTIES AND RESPONSIBILITIES.—Subject to the direction of the Director of National Intelligence, the Chief Information Officer shall—

“(1) manage activities relating to the information technology infrastructure and enterprise architecture requirements of the intelligence community;

“(2) have procurement approval authority over all information technology items related to the enterprise architectures of all intelligence community components;

“(3) direct and manage all information technology-related procurement for the intelligence community; and

“(4) ensure that all expenditures for information technology and research and development activities are consistent with the

intelligence community enterprise architecture and the strategy of the Director for such architecture.

“(d) PROHIBITION ON SIMULTANEOUS SERVICE AS OTHER CHIEF INFORMATION OFFICER.—An individual serving in the position of Chief Information Officer may not, while so serving, serve as the chief information officer of any other department or agency, or component thereof, of the United States Government.”

(2) The table of contents in the first section of the National Security Act of 1947, as amended by the National Security Intelligence Reform Act of 2004, is further amended by inserting after the item relating to section 103F the following new item:

“Sec. 103G. Chief Information Officer.”

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the effective date of the National Security Intelligence Reform Act of 2004, as provided in section 801 of this Act.

SEC. 304. IMPROVEMENT OF AUTHORITIES RELATING TO NATIONAL VIRTUAL TRANSLATION CENTER.

(a) FUNCTION OF CENTER.—Section 313 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2391; 50 U.S.C. 404n) is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following new subsection (c):

“(c) FUNCTION.—The element established under subsection (a) shall provide for timely and accurate translations of foreign intelligence for all elements of the intelligence community through—

“(1) the integration of the translation capabilities of the intelligence community;

“(2) the use of remote-connection capabilities; and

“(3) the use of such other capabilities as the Director considers appropriate.”

(b) LOCATION OF DISCHARGE OF FUNCTION.—Subsection (d) of such section, as so redesignated, is amended by adding at the end the following new paragraph:

“(3) Personnel of the element established under subsection (a) may carry out the duties and functions of the element at any location that—

“(A) has been certified as a secure facility by a department or agency of the United States Government; or

“(B) the Director has otherwise determined to be appropriate for such duties and functions”.

SEC. 305. INTELLIGENCE ASSESSMENT ON SANCTUARIES FOR TERRORISTS.

(a) ASSESSMENT REQUIRED.—Not later than the date specified in subsection (b), the Director of National Intelligence shall submit to Congress an intelligence assessment that identifies and describes each country or region that is a sanctuary for terrorists or terrorist organizations. The assessment shall be based on current all-source intelligence.

(b) SUBMITTAL DATE.—The date of the submittal of the intelligence assessment required by subsection (a) shall be the earlier of—

- (1) the date that is six months after the date of the enactment of this Act; or
 (2) June 1, 2005.

SEC. 306. SENSE OF CONGRESS ON AVAILABILITY TO CONGRESS OF INFORMATION ON IRAQ OIL-FOR-FOOD PROGRAM OF THE UNITED NATIONS.

It is the sense of Congress that the head of each element of the intelligence community, including the Central Intelligence Agency, the Federal Bureau of Investigation, and the intelligence elements of the Department of Defense, the Department of State, and the Department of the Treasury should make available to any committee of Congress with jurisdiction over matters relating to the Office of the Iraq Oil-for-Food Program of the United Nations, upon the request of such committee, any information and documents in the possession or control of such element in connection with any investigation of that Office by such committee.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. PERMANENT EXTENSION OF CENTRAL INTELLIGENCE AGENCY VOLUNTARY SEPARATION INCENTIVE PROGRAM.

(a) *IN GENERAL.*—Section 2 of the Central Intelligence Agency Voluntary Separation Pay Act (50 U.S.C. 403–4 note) is amended—

- (1) by striking subsection (f); and
 (2) by redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(b) *TERMINATION OF FUNDS REMITTANCE REQUIREMENT.*—(1) Section 2 of such Act is further amended by striking subsection (i).

(2) Section 4(a)(2)(B)(ii) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 8331 note) is amended by striking “, or section 2 of the Central Intelligence Agency Voluntary Separation Pay Act (Public Law 103–36; 107 Stat. 104)”.

SEC. 402. INTELLIGENCE OPERATIONS AND COVER ENHANCEMENT AUTHORITY.

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

“INTELLIGENCE OPERATIONS AND COVER ENHANCEMENT AUTHORITY

“SEC. 23. (a) DEFINITIONS.—In this section—

“(1) the term ‘designated employee’ means an employee designated by the Director of the Central Intelligence Agency under subsection (b); and

“(2) the term ‘Federal retirement system’ includes the Central Intelligence Agency Retirement and Disability System, and the Federal Employees’ Retirement System (including the Thrift Savings Plan).

“(b) IN GENERAL.—

“(1) AUTHORITY.—Notwithstanding any other provision of law, the Director of the Central Intelligence Agency may exercise the authorities under this section in order to—

- “(A) protect from unauthorized disclosure—*
“(i) intelligence operations;

“(ii) the identities of undercover intelligence officers;

“(iii) intelligence sources and methods; or

“(iv) intelligence cover mechanisms; or

“(B) meet the special requirements of work related to collection of foreign intelligence or other authorized activities of the Agency.

“(2) DESIGNATION OF EMPLOYEES.—The Director of the Central Intelligence Agency may designate any employee of the Agency who is under nonofficial cover to be an employee to whom this section applies. Such designation may be made with respect to any or all authorities exercised under this section.

“(c) COMPENSATION.—The Director of the Central Intelligence Agency may pay a designated employee salary, allowances, and other benefits in an amount and in a manner consistent with the nonofficial cover of that employee, without regard to any limitation that is otherwise applicable to a Federal employee. A designated employee may accept, utilize, and, to the extent authorized by regulations prescribed under subsection (i), retain any salary, allowances, and other benefits provided under this section.

“(d) RETIREMENT BENEFITS.—

“(1) IN GENERAL.—The Director of the Central Intelligence Agency may establish and administer a nonofficial cover employee retirement system for designated employees (and the spouse, former spouses, and survivors of such designated employees). A designated employee may not participate in the retirement system established under this paragraph and another Federal retirement system at the same time.

“(2) CONVERSION TO OTHER FEDERAL RETIREMENT SYSTEM.—

“(A) IN GENERAL.—A designated employee participating in the retirement system established under paragraph (1) may convert to coverage under the Federal retirement system which would otherwise apply to that employee at any appropriate time determined by the Director of the Central Intelligence Agency (including at the time of separation of service by reason of retirement), if the Director of the Central Intelligence Agency determines that the employee’s participation in the retirement system established under this subsection is no longer necessary to protect from unauthorized disclosure—

“(i) intelligence operations;

“(ii) the identities of undercover intelligence officers;

“(iii) intelligence sources and methods; or

“(iv) intelligence cover mechanisms.

“(B) CONVERSION TREATMENT.—Upon a conversion under this paragraph—

“(i) all periods of service under the retirement system established under this subsection shall be deemed periods of creditable service under the applicable Federal retirement system;

“(ii) the Director of the Central Intelligence Agency shall transmit an amount for deposit in any applicable fund of that Federal retirement system that—

“(I) is necessary to cover all employee and agency contributions including—

“(aa) interest as determined by the head of the agency administering the Federal retirement system into which the employee is converting; or

“(bb) in the case of an employee converting into the Federal Employees’ Retirement System, interest as determined under section 8334(e) of title 5, United States Code; and

“(II) ensures that such conversion does not result in any unfunded liability to that fund; and

“(iii) in the case of a designated employee who participated in an employee investment retirement system established under paragraph (1) and is converted to coverage under subchapter III of chapter 84 of title 5, United States Code, the Director of the Central Intelligence Agency may transmit any or all amounts of that designated employee in that employee investment retirement system (or similar part of that retirement system) to the Thrift Savings Fund.

“(C) TRANSMITTED AMOUNTS.—

“(i) IN GENERAL.—Amounts described under subparagraph (B)(ii) shall be paid from the fund or appropriation used to pay the designated employee.

“(ii) OFFSET.—The Director of the Central Intelligence Agency may use amounts contributed by the designated employee to a retirement system established under paragraph (1) to offset amounts paid under clause (i).

“(D) RECORDS.—The Director of the Central Intelligence Agency shall transmit all necessary records relating to a designated employee who converts to a Federal retirement system under this paragraph (including records relating to periods of service which are deemed to be periods of creditable service under subparagraph (B)) to the head of the agency administering that Federal retirement system.

“(e) HEALTH INSURANCE BENEFITS.—

“(1) IN GENERAL.—The Director of the Central Intelligence Agency may establish and administer a nonofficial cover employee health insurance program for designated employees (and the family of such designated employees). A designated employee may not participate in the health insurance program established under this paragraph and the program under chapter 89 of title 5, United States Code, at the same time.

“(2) CONVERSION TO FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM.—

“(A) IN GENERAL.—A designated employee participating in the health insurance program established under paragraph (1) may convert to coverage under the program under chapter 89 of title 5, United States Code, at any appropriate time determined by the Director of the Central Intelligence Agency (including at the time of separation of service by reason of retirement), if the Director of the Central Intelligence Agency determines that the employee’s partici-

tion in the health insurance program established under this subsection is no longer necessary to protect from unauthorized disclosure—

“(i) intelligence operations;

“(ii) the identities of undercover intelligence officers;

“(iii) intelligence sources and methods; or

“(iv) intelligence cover mechanisms.

“(B) *CONVERSION TREATMENT.*—Upon a conversion under this paragraph—

“(i) the employee (and family, if applicable) shall be entitled to immediate enrollment and coverage under chapter 89 of title 5, United States Code;

“(ii) any requirement of prior enrollment in a health benefits plan under chapter 89 of that title for continuation of coverage purposes shall not apply;

“(iii) the employee shall be deemed to have had coverage under chapter 89 of that title from the first opportunity to enroll for purposes of continuing coverage as an annuitant; and

“(iv) the Director of the Central Intelligence Agency shall transmit an amount for deposit in the Employees’ Health Benefits Fund that is necessary to cover any costs of such conversion.

“(C) *TRANSMITTED AMOUNTS.*—Any amount described under subparagraph (B)(iv) shall be paid from the fund or appropriation used to pay the designated employee.

“(f) *LIFE INSURANCE BENEFITS.*—

“(1) *IN GENERAL.*—The Director of the Central Intelligence Agency may establish and administer a nonofficial cover employee life insurance program for designated employees (and the family of such designated employees). A designated employee may not participate in the life insurance program established under this paragraph and the program under chapter 87 of title 5, United States Code, at the same time.

“(2) *CONVERSION TO FEDERAL EMPLOYEES GROUP LIFE INSURANCE PROGRAM.*—

“(A) *IN GENERAL.*—A designated employee participating in the life insurance program established under paragraph (1) may convert to coverage under the program under chapter 87 of title 5, United States Code, at any appropriate time determined by the Director of the Central Intelligence Agency (including at the time of separation of service by reason of retirement), if the Director of the Central Intelligence Agency determines that the employee’s participation in the life insurance program established under this subsection is no longer necessary to protect from unauthorized disclosure—

“(i) intelligence operations;

“(ii) the identities of undercover intelligence officers;

“(iii) intelligence sources and methods; or

“(iv) intelligence cover mechanisms.

“(B) *CONVERSION TREATMENT.*—Upon a conversion under this paragraph—

“(i) the employee (and family, if applicable) shall be entitled to immediate coverage under chapter 87 of title 5, United States Code;

“(ii) any requirement of prior enrollment in a life insurance program under chapter 87 of that title for continuation of coverage purposes shall not apply;

“(iii) the employee shall be deemed to have had coverage under chapter 87 of that title for the full period of service during which the employee would have been entitled to be insured for purposes of continuing coverage as an annuitant; and

“(iv) the Director of the Central Intelligence Agency shall transmit an amount for deposit in the Employees’ Life Insurance Fund that is necessary to cover any costs of such conversion.

“(C) TRANSMITTED AMOUNTS.—Any amount described under subparagraph (B)(iv) shall be paid from the fund or appropriation used to pay the designated employee.

“(g) EXEMPTION FROM CERTAIN REQUIREMENTS.—The Director of the Central Intelligence Agency may exempt a designated employee from mandatory compliance with any Federal regulation, rule, standardized administrative policy, process, or procedure that the Director of the Central Intelligence Agency determines—

“(1) would be inconsistent with the nonofficial cover of that employee; and

“(2) could expose that employee to detection as a Federal employee.

“(h) TAXATION AND SOCIAL SECURITY.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, a designated employee—

“(A) shall file a Federal or State tax return as if that employee is not a Federal employee and may claim and receive the benefit of any exclusion, deduction, tax credit, or other tax treatment that would otherwise apply if that employee was not a Federal employee, if the Director of the Central Intelligence Agency determines that taking any action under this paragraph is necessary to—

“(i) protect from unauthorized disclosure—

“(I) intelligence operations;

“(II) the identities of undercover intelligence officers;

“(III) intelligence sources and methods; or

“(IV) intelligence cover mechanisms; and

“(ii) meet the special requirements of work related to collection of foreign intelligence or other authorized activities of the Agency; and

“(B) shall receive social security benefits based on the social security contributions made.

“(2) INTERNAL REVENUE SERVICE REVIEW.—The Director of the Central Intelligence Agency shall establish procedures to carry out this subsection. The procedures shall be subject to periodic review by the Internal Revenue Service.

“(i) REGULATIONS.—The Director of the Central Intelligence Agency shall prescribe regulations to carry out this section. The regulations shall ensure that the combination of salary, allowances,

and benefits that an employee designated under this section may retain does not significantly exceed, except to the extent determined by the Director of the Central Intelligence Agency to be necessary to exercise the authority in subsection (b), the combination of salary, allowances, and benefits otherwise received by Federal employees not designated under this section.

“(j) *FINALITY OF DECISIONS.*—Any determinations authorized by this section to be made by the Director of the Central Intelligence Agency or the Director’s designee shall be final and conclusive and shall not be subject to review by any court.

“(k) *SUBSEQUENTLY ENACTED LAWS.*—No law enacted after the effective date of this section shall affect the authorities and provisions of this section unless such law specifically refers to this section.”.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

SEC. 501. NATIONAL SECURITY AGENCY EMERGING TECHNOLOGIES PANEL.

The National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by adding at the end the following new section:

“SEC. 19. (a) There is established the National Security Agency Emerging Technologies Panel. The Panel is a standing panel of the National Security Agency. The Panel shall be appointed by, and shall report directly to, the Director of the National Security Agency.

“(b) The Panel shall study and assess, and periodically advise the Director on, the research, development, and application of existing and emerging science and technology advances, advances in encryption, and other topics.

“(c) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Panel.”.

SEC. 502. USE OF FUNDS FOR COUNTERDRUG AND COUNTERTERRORISM ACTIVITIES FOR COLOMBIA.

(a) *AUTHORITY.*—Funds designated for intelligence or intelligence-related purposes for assistance to the Government of Colombia for counterdrug activities for fiscal year 2005 or 2006, and any unobligated funds available to any element of the intelligence community for such activities for a prior fiscal year, shall be available—

(1) to support a unified campaign by the Government of Colombia against narcotics trafficking and against activities by organizations designated as terrorist organizations (such as the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC)); and

(2) to take actions to protect human health and welfare in emergency circumstances, including the undertaking of rescue operations.

(b) *APPLICABILITY OF CERTAIN LAWS AND LIMITATIONS.*—The use of funds pursuant to the authority in subsection (a) shall be subject to the following:

(1) Section 556, 567, and 568 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (Public Law 107–115; 115 Stat. 2160, 2165, and 2166).

(2) Section 8076 of the Department of Defense Appropriations Act, 2005 (Public Law 108–287; 118 Stat. 988).

(3) The numerical limitations on the number of United States military personnel and United States individual civilian contractors contained in section 1021(c) of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2042).

(c) **LIMITATION ON PARTICIPATION OF UNITED STATES PERSONNEL.**—No United States Armed Forces personnel or United States civilian contractor employed by the United States Armed Forces may participate in any combat operation in connection with assistance made available under this section, except for the purpose of acting in self defense or during the course of search and rescue operations for United States citizens.

TITLE VI—EDUCATION

Subtitle A—National Security Education Program

SEC. 601. ANNUAL FUNDING.

(a) **IN GENERAL.**—Section 810 of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1910) is amended by adding at the end the following new subsection:

“(c) **FUNDING FROM INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT FOR FISCAL YEARS BEGINNING WITH FISCAL YEAR 2005.**—In addition to amounts that may be made available to the Secretary under the Fund for a fiscal year, the Director of National Intelligence shall transfer to the Secretary from amounts appropriated for the Intelligence Community Management Account for each fiscal year, beginning with fiscal year 2005, \$8,000,000 to carry out the scholarship, fellowship, and grant programs under subparagraphs (A), (B), and (C), respectively, of section 802(a)(1).”

(b) **CONFORMING AMENDMENT.**—Section 802(a)(2) of that Act (50 U.S.C. 1902(a)(2)) is amended in the matter preceding subparagraph (A) by inserting “or from a transfer under section 810(c)” after “National Security Education Trust Fund”.

SEC. 602. IMPROVEMENTS TO NATIONAL FLAGSHIP LANGUAGE INITIATIVE.

(a) **REQUIREMENT FOR EMPLOYMENT AGREEMENTS.**—(1) Section 802(i) of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902(i)) is amended by adding at the end the following new paragraphs:

“(5) An undergraduate or graduate student who participates in training in a program under paragraph (1) and has not already entered into a service agreement under subsection (b) shall enter into a service agreement under subsection (b) applicable to an undergraduate or graduate student, as the case may be, with respect to participation in such training in a program under paragraph (1).

“(6)(A) An employee of a department or agency of the Federal Government who participates in training in a program under paragraph (1) shall agree in writing—

“(i) to continue in the service of the department or agency of the Federal Government employing the employee for the period of such training;

“(ii) to continue in the service of such department or agency, following completion by the employee of such training, for a period of two years for each year, or part of the year, of such training;

“(iii) if, before the completion by the employee of such training, the employment of the employee is terminated by such department or agency due to misconduct by the employee, or by the employee voluntarily, to reimburse the United States for the total cost of such training (excluding the employee’s pay and allowances) provided to the employee; and

“(iv) if, after the completion by the employee of such training but before the completion by the employee of the period of service required by clause (ii), the employment of the employee by such department or agency is terminated either by such department or agency due to misconduct by the employee, or by the employee voluntarily, to reimburse the United States in an amount that bears the same ratio to the total cost of such training (excluding the employee’s pay and allowances) provided to the employee as the unserved portion of such period of service bears to the total period of service required by clause (ii).

“(C) Subject to subparagraph (D), the obligation to reimburse the United States under an agreement under subparagraph (A) is for all purposes a debt owing the United States.

“(D) The head of the element of the intelligence community concerned may release an employee, in whole or in part, from the obligation to reimburse the United States under an agreement under subparagraph (A) when, in the discretion of the head of the element, the head of the element determines that equity or the interests of the United States so require.”.

(2) The amendment made by paragraph (1) shall apply to training under section 802(i) of the David L. Boren National Security Act of 1991 that begins on or after the date that is 90 days after the date of the enactment of this Act.

(b) INCREASE IN ANNUAL FUNDING.—Section 811 of that Act (50 U.S.C. 1911) is amended by striking subsection (b) and inserting the following new subsections:

“(b) FUNDING FROM INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT FOR FISCAL YEARS BEGINNING WITH FISCAL YEAR 2005.—In addition to amounts that may be made available to the Secretary under the Fund for a fiscal year, the Director of National Intelligence shall transfer to the Secretary from amounts appropriated for the Intelligence Community Management Account for each fiscal year, beginning with fiscal year 2005, \$6,000,000 to carry out the grant program for the National Flagship Language Initiative under section 802(a)(1)(D).

“(c) AVAILABILITY OF APPROPRIATED FUNDS.—Amounts made available under this section shall remain available until expended.”.

(c) INCREASE IN NUMBER OF PARTICIPATING EDUCATIONAL INSTITUTIONS.—The Secretary of Defense shall take such actions as

the Secretary considers appropriate to increase the number of qualified educational institutions that receive grants under the National Flagship Language Initiative under section 802(i) of the David L. Boren National Security Education Act of 1991 to establish, operate, or improve activities designed to train students in programs in a range of disciplines to achieve advanced levels of proficiency in those foreign languages that the Secretary identifies as being the most critical to the national security of the United States.

(d) CLARIFICATION OF AUTHORITY TO SUPPORT STUDIES ABROAD.—Educational institutions that receive grants under the National Flagship Language Initiative may support students who pursue total immersion foreign language studies overseas of foreign languages that are critical to the national security of the United States.

SEC. 603. SCHOLARSHIP PROGRAM FOR ENGLISH LANGUAGE STUDIES FOR HERITAGE COMMUNITY CITIZENS OF THE UNITED STATES WITHIN NATIONAL SECURITY EDUCATION PROGRAM.

(a) SCHOLARSHIP PROGRAM.—(1) Subsection (a)(1) of section 802 of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902) is amended—

(A) by striking “and” at the end of subparagraph (C);
(B) by striking the period at the end of subparagraph (D) and inserting “; and”; and

(C) by adding at the end the following new subparagraph:

“(E) awarding scholarships to students who—

“(i) are United States citizens who—

“(I) are native speakers (referred to as ‘heritage community citizens’) of a foreign language that is identified as critical to the national security interests of the United States who should be actively recruited for employment by Federal security agencies with a need for linguists; and

“(II) are not proficient at a professional level in the English language with respect to reading, writing, and other skills required to carry out the national security interests of the United States, as determined by the Secretary,

to enable such students to pursue English language studies at an institution of higher education of the United States to attain proficiency in those skills; and

“(ii) enter into an agreement to work in a position in a similar manner (as determined by the Secretary) as agreements entered into pursuant to subsection (b)(2)(A).”.

(2) The matter following subsection (a)(2) of such section is amended—

(A) in the first sentence, by inserting “or for the scholarship program under paragraph (1)(E)” after “under paragraph (1)(D) for the National Flagship Language Initiative described in subsection (i)”; and

(B) by adding at the end the following: “For the authorization of appropriations for the scholarship program under paragraph (1)(E), see section 812.”.

(3) Section 803(d)(4)(E) of such Act (50 U.S.C. 1903(d)(4)(E)) is amended by inserting before the period the following: “and section 802(a)(1)(E) (relating to the scholarship program for advanced English language studies by heritage community citizens)”.

(b) FUNDING.—The David L. Boren National Security Education Act of 1991 (50 U.S.C. 1901 et seq.) is amended by adding at the end the following new section:

“SEC. 812. FUNDING FOR SCHOLARSHIP PROGRAM FOR ADVANCED ENGLISH LANGUAGE STUDIES BY HERITAGE COMMUNITY CITIZENS.

“(a) FUNDING FROM INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.—In addition to amounts that may be made available to the Secretary under the Fund for a fiscal year, the Director of National Intelligence shall transfer to the Secretary from amounts appropriated for the Intelligence Community Management Account for each fiscal year, beginning with fiscal year 2005, \$2,000,000 to carry out the scholarship programs for English language studies by certain heritage community citizens under section 802(a)(1)(E).

“(b) AVAILABILITY OF FUNDS.—Amounts made available under subsection (a) shall remain available until expended.”.

Subtitle B—Improvement in Intelligence Community Foreign Language Skills

SEC. 611. FOREIGN LANGUAGE PROFICIENCY FOR CERTAIN SENIOR LEVEL POSITIONS IN THE CENTRAL INTELLIGENCE AGENCY.

(a) IN GENERAL.—Section 104A of the National Security Act of 1947, amended by section 1011(a) of the National Security Intelligence Reform Act of 2004, is further amended by adding at the end the following new subsection:

“(g) FOREIGN LANGUAGE PROFICIENCY FOR CERTAIN SENIOR LEVEL POSITIONS IN CENTRAL INTELLIGENCE AGENCY.—(1) Except as provided pursuant to paragraph (2), an individual may not be appointed to a position in the Senior Intelligence Service in the Directorate of Intelligence or the Directorate of Operations of the Central Intelligence Agency unless the Director of the Central Intelligence Agency determines that the individual—

“(A) has been certified as having a professional speaking and reading proficiency in a foreign language, such proficiency being at least level 3 on the Interagency Language Roundtable Language Skills Level or commensurate proficiency level using such other indicator of proficiency as the Director of the Central Intelligence Agency considers appropriate; and

“(B) is able to effectively communicate the priorities of the United States and exercise influence in that foreign language.

“(2) The Director of the Central Intelligence Agency may, in the discretion of the Director, waive the application of paragraph (1) to any position or category of positions otherwise covered by that paragraph if the Director determines that foreign language proficiency is not necessary for the successful performance of the duties and responsibilities of such position or category of positions.”.

(b) *EFFECTIVE DATE.*—The amendment made by subsection (a) shall apply with respect to appointments made on or after the date that is one year after the date of the enactment of this Act.

(c) *REPORT ON WAIVERS.*—The Director of the Central Intelligence Agency shall submit to Congress a report that identifies positions within the Senior Intelligence Service in the Directorate of Intelligence or the Directorate of Operations of the Central Intelligence Agency that are determined by the Director to require waiver from the requirements of section 104A(g) of the National Security Act of 1947, as added by subsection (a). The report shall include a rationale for any waiver granted under section 104A(g)(2), as so added, for each position or category of positions so identified.

SEC. 612. ADVANCEMENT OF FOREIGN LANGUAGES CRITICAL TO THE INTELLIGENCE COMMUNITY.

(a) *IN GENERAL.*—Title X of the National Security Act of 1947 (50 U.S.C. 441g) is amended—

(1) by inserting before section 1001 (50 U.S.C. 441g) the following:

“SUBTITLE A—SCIENCE AND TECHNOLOGY”;

and

(2) by adding at the end the following new subtitles:

“SUBTITLE B—FOREIGN LANGUAGES PROGRAM

“PROGRAM ON ADVANCEMENT OF FOREIGN LANGUAGES CRITICAL TO THE INTELLIGENCE COMMUNITY

“SEC. 1011. (a) *IN GENERAL.*—The Secretary of Defense and the Director of National Intelligence may jointly carry out a program to advance skills in foreign languages that are critical to the capability of the intelligence community to carry out the national security activities of the United States (hereinafter in this subtitle referred to as the ‘Foreign Languages Program’).

(b) *IDENTIFICATION OF REQUISITE ACTIONS.*—In order to carry out the Foreign Languages Program, the Secretary of Defense and the Director of National Intelligence shall jointly identify actions required to improve the education of personnel in the intelligence community in foreign languages that are critical to the capability of the intelligence community to carry out the national security activities of the United States and to meet the long-term intelligence needs of the United States.

“EDUCATION PARTNERSHIPS

“SEC. 1012. (a) *IN GENERAL.*—In carrying out the Foreign Languages Program, the head of a covered element of the intelligence community may enter into one or more education partnership agreements with educational institutions in the United States in order to encourage and enhance the study in such educational institutions of foreign languages that are critical to the capability of the intelligence community to carry out the national security activities of the United States.

(b) *ASSISTANCE PROVIDED UNDER EDUCATIONAL PARTNERSHIP AGREEMENTS.*—Under an educational partnership agreement entered into with an educational institution pursuant to this section,

the head of a covered element of the intelligence community may provide the following assistance to the educational institution:

“(1) The loan of equipment and instructional materials of the element of the intelligence community to the educational institution for any purpose and duration that the head of the element considers appropriate.

“(2) Notwithstanding any other provision of law relating to the transfer of surplus property, the transfer to the educational institution of any computer equipment, or other equipment, that is—

“(A) commonly used by educational institutions;

“(B) surplus to the needs of the element of the intelligence community; and

“(C) determined by the head of the element to be appropriate for support of such agreement.

“(3) The provision of dedicated personnel to the educational institution—

“(A) to teach courses in foreign languages that are critical to the capability of the intelligence community to carry out the national security activities of the United States; or

“(B) to assist in the development for the educational institution of courses and materials on such languages.

“(4) The involvement of faculty and students of the educational institution in research projects of the element of the intelligence community.

“(5) Cooperation with the educational institution in developing a program under which students receive academic credit at the educational institution for work on research projects of the element of the intelligence community.

“(6) The provision of academic and career advice and assistance to students of the educational institution.

“(7) The provision of cash awards and other items that the head of the element of the intelligence community considers appropriate.

“VOLUNTARY SERVICES

“SEC. 1013. (a) *AUTHORITY TO ACCEPT SERVICES.*—Notwithstanding section 1342 of title 31, United States Code, and subject to subsection (b), the Foreign Languages Program under section 1011 shall include authority for the head of a covered element of the intelligence community to accept from any dedicated personnel voluntary services in support of the activities authorized by this subtitle.

“(b) *REQUIREMENTS AND LIMITATIONS.*—(1) In accepting voluntary services from an individual under subsection (a), the head of a covered element of the intelligence community shall—

“(A) supervise the individual to the same extent as the head of the element would supervise a compensated employee of that element providing similar services; and

“(B) ensure that the individual is licensed, privileged, has appropriate educational or experiential credentials, or is otherwise qualified under applicable law or regulations to provide such services.

“(2) *In accepting voluntary services from an individual under subsection (a), the head of a covered element of the intelligence community may not—*

“(A) *place the individual in a policymaking position, or other position performing inherently governmental functions; or*

“(B) *compensate the individual for the provision of such services.*

“(c) *AUTHORITY TO RECRUIT AND TRAIN INDIVIDUALS PROVIDING SERVICES.—The head of a covered element of the intelligence community may recruit and train individuals to provide voluntary services under subsection (a).*

“(d) *STATUS OF INDIVIDUALS PROVIDING SERVICES.—(1) Subject to paragraph (2), while providing voluntary services under subsection (a) or receiving training under subsection (c), an individual shall be considered to be an employee of the Federal Government only for purposes of the following provisions of law:*

“(A) *Section 552a of title 5, United States Code (relating to maintenance of records on individuals).*

“(B) *Chapter 11 of title 18, United States Code (relating to conflicts of interest).*

“(2)(A) *With respect to voluntary services under paragraph (1) provided by an individual that are within the scope of the services accepted under that paragraph, the individual shall be deemed to be a volunteer of a governmental entity or nonprofit institution for purposes of the Volunteer Protection Act of 1997 (42 U.S.C. 14501 et seq.).*

“(B) *In the case of any claim against such an individual with respect to the provision of such services, section 4(d) of such Act (42 U.S.C. 14503(d)) shall not apply.*

“(3) *Acceptance of voluntary services under this section shall have no bearing on the issuance or renewal of a security clearance.*

“(e) *REIMBURSEMENT OF INCIDENTAL EXPENSES.—(1) The head of a covered element of the intelligence community may reimburse an individual for incidental expenses incurred by the individual in providing voluntary services under subsection (a). The head of a covered element of the intelligence community shall determine which expenses are eligible for reimbursement under this subsection.*

“(2) *Reimbursement under paragraph (1) may be made from appropriated or nonappropriated funds.*

“(f) *AUTHORITY TO INSTALL EQUIPMENT.—(1) The head of a covered element of the intelligence community may install telephone lines and any necessary telecommunication equipment in the private residences of individuals who provide voluntary services under subsection (a).*

“(2) *The head of a covered element of the intelligence community may pay the charges incurred for the use of equipment installed under paragraph (1) for authorized purposes.*

“(3) *Notwithstanding section 1348 of title 31, United States Code, the head of a covered element of the intelligence community may use appropriated funds or nonappropriated funds of the element in carrying out this subsection.*

“REGULATIONS

“SEC. 1014. (a) *IN GENERAL.*—The Secretary of Defense and the Director of National Intelligence shall jointly prescribe regulations to carry out the Foreign Languages Program.

“(b) *ELEMENTS OF THE INTELLIGENCE COMMUNITY.*—The head of each covered element of the intelligence community shall prescribe regulations to carry out sections 1012 and 1013 with respect to that element including the following:

“(1) Procedures to be utilized for the acceptance of voluntary services under section 1013.

“(2) Procedures and requirements relating to the installation of equipment under section 1013(f).

“DEFINITIONS

“SEC. 1015. *In this subtitle:*

“(1) The term ‘covered element of the intelligence community’ means an agency, office, bureau, or element referred to in subparagraphs (B) through (L) of section 3(4).

“(2) The term ‘educational institution’ means—

“(A) a local educational agency (as that term is defined in section 9101(26) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(26)));

“(B) an institution of higher education (as defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002) other than institutions referred to in subsection (a)(1)(C) of such section); or

“(C) any other nonprofit institution that provides instruction of foreign languages in languages that are critical to the capability of the intelligence community to carry out national security activities of the United States.

“(3) The term ‘dedicated personnel’ means employees of the intelligence community and private citizens (including former civilian employees of the Federal Government who have been voluntarily separated, and members of the United States Armed Forces who have been honorably discharged, honorably separated, or generally discharged under honorable circumstances and rehired on a voluntary basis specifically to perform the activities authorized under this subtitle).

“SUBTITLE C—ADDITIONAL EDUCATION PROVISIONS

“ASSIGNMENT OF INTELLIGENCE COMMUNITY PERSONNEL AS
LANGUAGE STUDENTS

“SEC. 1021. (a) *IN GENERAL.*—The Director of National Intelligence, acting through the heads of the elements of the intelligence community, may assign employees of such elements in analyst positions requiring foreign language expertise as students at accredited professional, technical, or other institutions of higher education for training at the graduate or undergraduate level in foreign languages required for the conduct of duties and responsibilities of such positions.

“(b) *AUTHORITY FOR REIMBURSEMENT OF COSTS OF TUITION AND TRAINING.*—(1) The Director of National Intelligence may reimburse an employee assigned under subsection (a) for the total cost

of the training described in that subsection, including costs of educational and supplementary reading materials.

“(2) The authority under paragraph (1) shall apply to employees who are assigned on a full-time or part-time basis.

“(3) Reimbursement under paragraph (1) may be made from appropriated or nonappropriated funds.

“(c) *RELATIONSHIP TO COMPENSATION AS AN ANALYST.*—Reimbursement under this section to an employee who is an analyst is in addition to any benefits, allowances, travel expenses, or other compensation the employee is entitled to by reason of serving in such an analyst position.”.

(b) *CLERICAL AMENDMENT.*—The table of contents for the National Security Act of 1947 is amended by striking the item relating to section 1001 and inserting the following new items:

“Subtitle A—Science and Technology

“Sec. 1001. Scholarships and work-study for pursuit of graduate degrees in science and technology.

“Subtitle B—Foreign Languages Program

“Sec. 1011. Program on advancement of foreign languages critical to the intelligence community.

“Sec. 1012. Education partnerships.

“Sec. 1013. Voluntary services.

“Sec. 1014. Regulations.

“Sec. 1015. Definitions.

“Subtitle C—Additional Education Provisions

“Sec. 1021. Assignment of intelligence community personnel as language students.”.

SEC. 613. PILOT PROJECT ON CIVILIAN LINGUIST RESERVE CORPS.

(a) *PILOT PROJECT.*—The Director of National Intelligence shall conduct a pilot project to assess the feasibility and advisability of establishing a Civilian Linguist Reserve Corps comprised of United States citizens with advanced levels of proficiency in foreign languages who would be available upon the call of the Director to perform such service or duties with respect to such foreign languages in the intelligence community as the Director may specify.

(b) *CONDUCT OF PROJECT.*—Taking into account the findings and recommendations contained in the report required under section 325 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2393), in conducting the pilot project under subsection (a) the Director of National Intelligence shall—

(1) identify several foreign languages that are critical for the national security of the United States;

(2) identify United States citizens with advanced levels of proficiency in the foreign languages identified under paragraph (1) who would be available to perform the services and duties referred to in subsection (a); and

(3) when considered necessary by the Director, implement a call for the performance of such services and duties.

(c) *DURATION OF PROJECT.*—The pilot project under subsection (a) shall be conducted for a three-year period.

(d) *AUTHORITY TO ENTER INTO CONTRACTS.*—The Director of National Intelligence may enter into contracts with appropriate agencies or entities to carry out the pilot project under subsection (a).

(e) *REPORTS.*—(1) *The Director of National Intelligence shall submit to Congress an initial and a final report on the pilot project conducted under subsection (a).*

(2) *Each report required under paragraph (1) shall contain information on the operation of the pilot project, the success of the pilot project in carrying out the objectives of the establishment of a Civilian Linguist Reserve Corps, and recommendations for the continuation or expansion of the pilot project.*

(3) *The final report shall be submitted not later than six months after the completion of the pilot project.*

(f) *AUTHORIZATION OF APPROPRIATIONS.*—*There is authorized to be appropriated to the Director of National Intelligence for each of fiscal years 2005, 2006, and 2007 in order to carry out the pilot project under subsection (a) such sums as are specified in the classified Schedule of Authorizations referred to in section 102.*

SEC. 614. REPORT ON STATUS, CONSOLIDATION, AND IMPROVEMENT OF INTELLIGENCE EDUCATION PROGRAMS.

(a) *REPORT.*—*Not later than June 1, 2005, the Director of National Intelligence shall submit to Congress a report setting forth—*

(1) *the status of each intelligence education program, including the statutory, regulatory, or administrative authority under which such program is carried out; and*

(2) *such recommendations as the Director considers appropriate for legislative or administrative action to consolidate, enhance the coordination of, or otherwise improve such intelligence education programs.*

(b) *INTELLIGENCE EDUCATION PROGRAM DEFINED.*—*In this section, the term “intelligence education program” means any grant, scholarship, education, or similar program (whether authorized by statute, regulation, or administrative order) that—*

(1) *is supported, funded, or carried out by a department, agency, or element of the intelligence community; or*

(2) *is otherwise intended to aid in the recruitment, retention, or training of intelligence community personnel.*

SEC. 615. REPORT ON RECRUITMENT AND RETENTION OF QUALIFIED INSTRUCTORS OF THE DEFENSE LANGUAGE INSTITUTE.

(a) *STUDY.*—*The Secretary of Defense shall conduct a study on mechanisms to improve the recruitment and retention of qualified foreign language instructors at the Foreign Language Center of the Defense Language Institute. In conducting the study, the Secretary shall consider, in the case of a foreign language instructor who is an alien, the appropriateness of expeditious adjustment of the status of the alien under applicable immigration law from a temporary status to that of an alien lawfully admitted for permanent residence.*

(b) *REPORT.*—*Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the appropriate congressional committees a report on the study conducted under subsection (a). The report shall include such recommendations for such legislative or administrative action as the Secretary considers appropriate.*

(c) *APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.*—*In this section, the term “appropriate congressional committees” means—*

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

(2) *the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.*

TITLE VII—TERRORISM MATTERS

SEC. 701. INFORMATION ON TERRORIST GROUPS THAT SEEK WEAPONS OF MASS DESTRUCTION AND GROUPS THAT HAVE BEEN DESIGNATED AS FOREIGN TERRORIST ORGANIZATIONS.

(a) *INCLUSION IN REPORTS.*—Section 140 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f) is amended—

(1) in subsection (a)(2)—

(A) by inserting “any terrorist group known to have obtained or developed, or to have attempted to obtain or develop, weapons of mass destruction,” after “during the preceding five years,”; and

(B) by inserting “any group designated by the Secretary as a foreign terrorist organization under section 219 of the Immigration and Nationality Act (8 U.S.C. 1189),” after “Export Administration Act of 1979,”;

(2) in subsection (b)—

(A) in paragraph (1)(C)—

(i) in clause (iii), by striking “and” at the end;

(ii) by redesignating clause (iv) as clause (v); and

(iii) by inserting after clause (iii) the following new clause (iv):

“(iv) providing weapons of mass destruction, or assistance in obtaining or developing such weapons, to terrorists or terrorist groups;”;

(B) in paragraph (2)—

(i) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively;

(ii) by inserting after subparagraph (B) the following new subparagraph (C):

“(C) efforts by those groups to obtain or develop weapons of mass destruction;”;

(iii) in subparagraph (F), as so redesignated, by striking the period and inserting a semicolon; and

(C) by adding at the end the following new paragraphs:

“(3) to the extent practicable, complete statistical information on the number of individuals, including United States citizens and dual nationals, killed, injured, or kidnapped by each terrorist group during the preceding calendar year; and

“(4) an analysis, as appropriate, of trends in international terrorism, including changes in technology used, methods and targets of attack, demographic information on terrorists, and other appropriate information.”.

(b) *EFFECTIVE DATE.*—The amendments made by subsection (a) shall apply beginning with the first report under section 140 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 that is submitted more than one year after the date of the enactment of this Act.

TITLE VIII—OTHER MATTERS

SEC. 801. EFFECTIVE DATE.

Except as otherwise expressly provided in this Act, this Act (and the amendments made by this Act) shall take effect on the date of the enactment of this Act.

SEC. 802. CONSTRUCTION OF REFERENCES TO DIRECTOR OF CENTRAL INTELLIGENCE.

Except as otherwise specifically provided or otherwise provided by context, any reference in this Act, or in the classified annex to accompany this Act, to the Director of Central Intelligence shall be deemed to be a reference to the Director of Central Intelligence as head of the intelligence community.

SEC. 803. SAVINGS PROVISIONS RELATING TO DISCHARGE OF CERTAIN FUNCTIONS AND AUTHORITIES.

(a) HEAD OF INTELLIGENCE COMMUNITY.—(1) During the period beginning on the date of the enactment of this Act and ending on the date of the appointment of the Director of National Intelligence under section 102 of the National Security Act of 1947, as amended by section 1011(a) of the National Security Intelligence Reform Act of 2004, the Director of Central Intelligence may, acting as the head of the intelligence community, discharge the functions and authorities provided in this Act, and the amendments made by this Act, to the Director of National Intelligence.

(2) During the period referred to in paragraph (1) any reference in this Act or the amendments made by this Act to the Director of National Intelligence shall be considered to be a reference to the Director of Central Intelligence, as the head of the intelligence community.

(3) Upon the appointment of an individual as Director of National Intelligence under section 102 of the National Security Act of 1947, as so amended, any reference in this Act, or in the classified annex to accompany this Act, to the Director of Central Intelligence as head of the intelligence community shall be deemed to be a reference to the Director of National Intelligence.

(b) HEAD OF CENTRAL INTELLIGENCE AGENCY.—(1) During the period beginning on the date of the enactment of this Act and ending on the date of the appointment of the Director of the Central Intelligence Agency under section 104A of the National Security Act of 1947, as amended by section 1011(a) of the National Security Intelligence Reform Act of 2004, the Director of Central Intelligence may, acting as the head of the Central Intelligence Agency, discharge the functions and authorities provided in this Act, and the amendments made by this Act, to the Director of the Central Intelligence Agency.

(2) Upon the appointment of an individual as Director of the Central Intelligence Agency under section 104A of the National Security Act of 1947, as so amended, any reference in this Act, or in the classified annex to accompany this Act, to the Director of Central Intelligence as head of the Central Intelligence Agency shall be deemed to be a reference to the Director of the Central Intelligence Agency.

And the Senate agree to the same.

From the Permanent Select Committee on Intelligence, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

PETE HOEKSTRA,
SHERWOOD BOEHLERT,
JIM GIBBONS,
RAY LAHOOD,
RANDY "DUKE" CUNNINGHAM,
RICHARD BURR,
TERRY EVERETT,
ELTON GALLEGLY,
MAC COLLINS,
JO ANN DAVIS,
MAC THORNBERRY,
JANE HARMAN,
ALCEE L. HASTINGS,
SILVESTRE REYES,
LEONARD L. BOSWELL,
COLLIN C. PETERSON,
BUD CRAMER,
ANNA ESHOO,
RUSH HOLT,
C.A. DUTCH RUPPERSBERGER,

From the Committee on Armed Services, for consideration of defense tactical intelligence and related activities:

DUNCAN HUNTER,
CURT WELDON,
IKE SKELTON,

Managers on the Part of the House.

PAT ROBERTS,
ORRIN HATCH,
MIKE DEWINE,
CHRISTOPHER BOND,
TRENT LOTT,
OLYMPIA SNOWE,
CHUCK HAGEL,
SAXBY CHAMBLISS,
JOHN WARNER,
DIANNE FEINSTEIN,
EVAN BAYH,
BARBARA MIKULSKI,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the Senate and House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4548), to authorize appropriations for fiscal year 2005 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, submit the following joint statement to the Senate and House in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The managers agree that the congressionally directed actions described in the House bill, the Senate amendment, the respective committee reports, and classified annexes accompanying H.R. 4548 and S. 2386, shall be undertaken to the extent that such congressionally directed actions are not amended, altered, substituted, or otherwise specifically addressed in either this Joint Explanatory Statement or in the classified annex to the conference report on the bill H.R. 4548.

The Senate amendment struck all of the House bill's text after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the Conferees, and minor drafting and clarifying changes.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations

Section 101 is identical to Section 101 of the Senate amendment and House bill.

Sec. 102. Classified schedule of authorizations

Section 102 is identical to Section 102 of the Senate amendment and House bill.

Sec. 103. Personnel ceiling adjustments

Section 103 is identical to Section 103 of the Senate amendment and House bill.

Sec. 104. Intelligence Community Management Account

Section 104 of the conference report authorizes appropriations for the Intelligence Community Management Account (CMA) of the

Director of National Intelligence (DNI) and sets the personnel end-strength for the Intelligence Community Management Staff for fiscal year 2005.

Subsection (a) authorizes appropriations of \$310,466,000 for fiscal year 2005 for the activities of the CMA of the DNI. The House recedes in part and the Senate recedes in part.

Subsection (b) authorizes 310 full-time personnel for the Intelligence Community Management Staff for fiscal year 2005 and provides that such personnel may be permanent employees of the Staff or detailed from various elements of the United States Government. The House bill and Senate amendment were identical.

Subsection (c) authorizes additional appropriations and personnel for the CMA as specified in the classified Schedule of Authorizations and authorizes additional amounts to remain available for research and development through September 30, 2006.

Subsection (d) requires that, except as provided in Section 113 of the National Security Act of 1947, during fiscal year 2005, personnel from another element of the United States Government may be detailed to an element of the CMA on a reimbursable basis, or for temporary situations of less than one year on a non-reimbursable basis.

Subsection (e) authorizes \$42,322,000 of the amount authorized in subsection (a) to be made available for the National Drug Intelligence Center (NDIC). Subsection (e) requires the DNI to transfer these funds to the Attorney General to be used for NDIC activities under the authority of the Attorney General and subject to Section 103(d)(1) of the National Security Act. The House recedes in part and the Senate recedes in part.

Sec. 105. Incorporation of reporting requirements

Section 105 is similar to Section 105 of the Senate amendment. The House bill had no similar provision. The House recedes to the Senate.

Sec. 106. Specific authorization of funds for intelligence or intelligence-related activities for which fiscal year 2004 appropriations exceed amounts authorized

Section 106 is similar to Section 106 of the Senate amendment. The House bill had no similar provision. The House recedes to the Senate.

Sec. 107. Preparation and submittal of reports, reviews, studies, and plans relating to intelligence activities of Department of Defense or Department of Energy

Section 107 is a slightly modified version of Section 107 of the Senate amendment. The House bill had no similar provision. The House recedes with an amendment.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT
AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations

Section 201 authorizes appropriations of \$239,400,000 for the Central Intelligence Agency Retirement and Disability Fund. Sec-

tion 201 of the House bill and Section 201 of the Senate amendment were identical.

TITLE III—GENERAL PROVISIONS

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

Section 301 is identical to Section 301 of the Senate amendment and the House bill.

Sec. 302. Restriction on conduct of intelligence activities

Section 302 is identical to Section 302 of the Senate amendment and the House bill.

Sec. 303. Chief Information Officer

Section 303 establishes a Chief Information Officer (CIO) to assist the DNI in carrying out the DNI's responsibilities. The CIO is established within the Office of the DNI. The CIO will serve as the CIO of the Intelligence Community, subject to the DNI's direction. The CIO shall manage activities relating to the information technology infrastructure and enterprise architecture requirements of the Intelligence Community and have procurement approval authority over all information technology items related to the enterprise architectures of all Intelligence Community components. The CIO will also direct and manage all information technology-related procurement for the Intelligence Community and ensure that all expenditures for information technology and research and development activities are consistent with the Intelligence Community enterprise architecture and the strategy of the DNI for such architecture. The section also provides that the CIO may not serve as the chief information officer of any other department or agency, or component thereof, of the United States.

Enterprise architecture is the foundation upon which information technology investment and strategy should be based. Therefore, the managers expect the CIO to move expeditiously to undertake a formal Intelligence Community-wide enterprise architecture effort. The managers also strongly support the House report language detailing the ramifications of failing to link Intelligence Community-wide information technology investments to a true community-wide enterprise architecture (H. Rep. 108-558, June 21, 2004).

Sec. 304. Improvement of authorities relating to National Virtual Translation Center

Section 304 amends Section 313 of the Intelligence Authorization Act for Fiscal Year 2003 (Pub. L. 107-306; 116 Stat. 2391; 50 U.S.C. 404n) to clarify the functions of the National Virtual Translation Center (NVTC). The provision also specifies that the NVTC may perform its duties in a certified secure facility or in any other facility determined appropriate by the DNI. This section was passed in the House bill as Section 615. The Senate recedes with amendments.

Section 313 of the Intelligence Authorization Act for Fiscal Year 2003 mandated that the Director of Central Intelligence (DCI)

retain “direct supervision and control” over the NVTC. The Conferees note with concern that despite this mandate the DCI has failed to fully integrate the NVTC into the Intelligence Community and play a meaningful role in its management. Instead, the activities of the NVTC are supervised by the Director of the Federal Bureau of Investigation (FBI), with little or no input by the DCI. While participation of the FBI Director is imperative, Congress stresses again the importance of the direct “supervision and control” by the head of the Intelligence Community, now the DNI, of NVTC activities.

The Conferees are also concerned that non-FBI Intelligence Community elements have not fully leveraged NVTC resources. The Conferees continue to believe that a fully employed NVTC will perform an important function for the Intelligence Community. The use of advanced information technology will expand the ability of translators located in disparate locations to apply their skills to the backlog of collected intelligence information stored in voice or data form throughout the Intelligence Community. Intelligence information that is not translated and not analyzed constitutes a gross waste of our limited collection resources. The Conferees expect the DNI to commit the necessary attention, staffing, and resources to ensure that the NVTC can effectively perform its necessary function.

Sec. 305. Intelligence assessment on sanctuaries for terrorists

Section 305 requires the DNI to submit a report to Congress on terrorist sanctuaries. The House bill had no such provision. The House recedes to the Senate.

Sec. 306. Sense of Congress on the availability to Congress of information on Iraq Oil-for-Food Program of the United Nations

Section 306 calls on heads of Intelligence Community elements to share with Congress information they have about the United Nations Oil-for-Food Program. The Senate recedes.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. Permanent Extension of Central Intelligence Agency Voluntary Separation Incentive Program

The House bill and Senate amendment versions of this provision were similar.

Sec. 402. Intelligence operations and cover enhancement authority

Section 402 amends the Central Intelligence Agency Act of 1949 by adding a new section that enhances the cover of certain Central Intelligence Agency (CIA) employees. This new section provides that, notwithstanding any other provision of law, the Director of the CIA (DCIA), in order to protect intelligence operations and sources and methods, may: pay salaries, allowances, retirement, insurance, and other benefits to CIA employees under non-official cover in a manner consistent with their cover; exempt a category of CIA employees from certain U.S. Government rules and regulations; allow certain CIA employees to claim and receive the same Federal and state tax treatment available to individuals in the pri-

vate sector; and allow certain CIA employees to receive Social Security benefits based on the Social Security contributions made by such employees. The DCIA, in formulating regulations under this section, should ensure that such regulations adequately recognize the interests of CIA employee family members, including spouses and children, and former spouses. The House bill had no similar provision. The House recedes.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

Sec. 501. National Security Agency emerging technologies panel

Section 501 amends the National Security Agency Act of 1959 to establish the National Security Agency Emerging Technologies Panel and exempts it from the Federal Advisory Committee Act. The Senate bill had no similar provision. The Senate recedes.

Sec. 502. Use of funds for counterdrug and counterterrorism activities for Colombia

Section 502 allows funds available for intelligence and intelligence-related activities to be used to support a unified campaign against drug traffickers and terrorist organizations in Colombia. The House bill had no similar provision. The House recedes with amendments.

TITLE VI—EDUCATION

Subtitle A—National Security Education Program

Sec. 601. Annual funding

Section 601 amends the David L. Boren National Security Education Act of 1991 (Title VIII of the Intelligence Authorization Act of 1992 (P.L. 102–183; 105 Stat. 1271)) to authorize an appropriation to the CMA to support the scholarship, fellowship and grant programs under the National Security Education Program (NSEP). The Intelligence Authorization Act of 1992 created the NSEP, along with the National Security Education Trust Fund as a means of funding the NSEP. That trust fund has been nearly depleted, and an appropriation of \$8,000,000 is authorized for fiscal year 2005 to maintain the NSEP.

Sec. 602. Improvements to the National Flagship Language Initiative

Section 602 amends the David L. Boren National Security Education Act of 1991 to authorize an appropriation of \$6,000,000 for fiscal year 2005 to the CMA for the expansion of the grant program for institutions of higher education under the National Flagship Language Initiative (NFLI). The section details certain service obligations required for undergraduate and graduate students and federal employees who receive training in programs under the NFLI. The provision also seeks to increase the number of qualified institutions that receive grants under the NFLI.

Sec. 603. Scholarship program for English language studies for heritage community citizens of the United States within the National Security Education Program

Section 603 amends the David L. Boren National Security Education Act of 1991 to establish a scholarship program within NSEP for English language studies for heritage community citizens of the United States. The scholarship program is designed to enable native speakers of languages that are considered critical to the national security interests of the United States to attain English language proficiency. The ultimate goal is to increase the scholarship recipient's English language proficiency to the level where a valuable contribution can be made by the recipients to the Intelligence Community. The section establishes certain service obligations for work in a position within the Department of Defense or the Intelligence Community. The section authorizes an appropriation of \$2,000,000 for fiscal year 2005 to the CMA to establish the scholarship program.

Subtitle B—Improvement in Intelligence Community Foreign Language Skills

Sec. 611. Foreign language proficiency for advancement to certain senior level positions in the Central Intelligence Agency

Section 611 amends the National Security Act of 1947 to establish a language proficiency requirement for those individuals appointed to Senior Intelligence Service (SIS) positions within the CIA's Directorate of Operations (DO) and Directorate of Intelligence (DI). In order to be eligible for promotion to SIS positions within the DO or DI, individuals must be certified as having professional speaking and reading proficiency of at least level 3 on the Interagency Language Roundtable Language Skills Level or commensurate proficiency indicator. The DCIA is tasked with providing to Congress a report explaining any waivers of this requirement for any position or category of positions.

Sec. 612. Advancement of foreign languages critical to the intelligence community

Section 612 amends the National Security Act of 1947 to authorize the DNI and the Secretary of Defense to establish a program to advance foreign language skills in languages that are critical to the national security interests of the United States. The program may include funding, in the form of grants, contracts, cooperative agreements, or other appropriate mechanisms, by the Intelligence Community of educational institutions and instructors for the purchase of materials, supplies, and other resources, as well as the generation of instructional materials needed to advance foreign language skills.

The section allows the Intelligence Community to enter into educational partnership agreements with educational institutions to encourage and enhance the study of foreign languages. These partnership agreements would allow the Intelligence Community to lend surplus equipment, provide personnel to teach courses and develop curriculum, offer academic and career advice, and provide cash awards. The section authorizes the Intelligence Community to

accept voluntary services in support of partnership activities. The section also authorizes the Intelligence Community to assign employees in analytical positions requiring foreign language expertise to accredited institutions of higher education for training in foreign languages.

Sec. 613. Pilot project on Civilian Linguist Reserve Corps

Section 613 requires the DNI to conduct a pilot project to establish a Civilian Linguist Reserve Corps comprised of United States citizens with advanced proficiency in foreign languages. These individuals could be called up by the DNI to perform federal service in areas relating to their language expertise. The section authorizes an appropriation for a three-year pilot project. In conducting the pilot project, the DNI should take into account findings and recommendations in the CLRC feasibility report required by the Intelligence Authorization Act for Fiscal Year 2003 (P.L. 107-306).

Sec. 614. Report on status, consolidation, and improvement of intelligence education programs

Section 614 requires the DNI to submit to Congress no later than June 1, 2005, a report on the status of intelligence education programs. The report is to include recommendations about legislative or administrative action that would be appropriate to consolidate, enhance the coordination of, or otherwise improve intelligence education programs. This provision was added in lieu of creating the Assistant Director of Central Intelligence for Language and Education provided for in the House bill.

Sec. 615. Report on recruitment and retention of qualified instructors of the Defense Language Institute

Section 615 requires the Secretary of Defense to conduct a study on methods to improve the recruitment and retention of qualified language instructors at the Foreign Language Center at the Defense Language Institute. In preparing this report, the Secretary is to consider, as a means of recruitment and retention, providing permanent resident alien status to those qualified language instructors who are in the United States in temporary status.

TITLE VII—TERRORISM MATTERS

Sec. 701. Information on terrorist groups that seek weapons of mass destruction and groups that have been designated as foreign terrorist organizations

Section 701 would require the inclusion, in the State Department's annual country reports on terrorism, of information on terrorist groups that seek weapons of mass destruction, and groups that have been designated as FTOs under Section 219 of the Immigration and Nationality Act, as amended.

TITLE VIII—OTHER MATTERS

Sec. 801. Effective date

Except as otherwise indicated in a particular section within this Act, this section provides that this Act shall take effect immediately upon enactment because many of its provisions are of immediate operational and practical concern for the Intelligence Community.

*Sec. 802. Construction of references to the Director of Central Intelligence**Sec. 803. Savings provisions relating to discharge of certain functions and authorities*

Sections 802 and 803 clarifies how certain authorities shall be exercised, and who shall exercise them, during the transitional period between enactment of this Act, its effective date, the appointment of certain officers, and the enactment and effective date of the Intelligence Reform and Terrorism Prevention Act of 2004.

GENERAL MATTERS

The Conferees are concerned about the Intelligence Community's ability to efficiently and effectively manage the security clearance process for companies that comprise its industrial base.

The Conferees direct the head of the Intelligence Community to undertake a study of all dimensions of this problem. In accomplishing this effort, the study should take into account the excellent work already done by industry groups in studying this problem and also seek additional information and views from industry. The head of the Intelligence Community should consult with the House and Senate Intelligence Committees on the structure, objectives and form of the final report, which should be delivered to the Intelligence Committees in unclassified form (with a classified annex, if necessary) no later than June 1, 2005.

Senators Rockefeller, Levin, Wyden and Durbin object to an item in the classified schedule of authorizations that provides for continued funding of a major acquisition program that they believe is unnecessary and the cost of which they believe is unjustified. They believe that the funds for this item should be expended on other intelligence programs that will make a surer and greater contribution to national security. For this reason, which is more fully explained in the classified record of the conference, they have not signed the conference report.

From the Permanent Select Commission on Intelligence, for consideration of the House bill and the Senate amendment, and modifications committed to conference.

PETE HOEKSTRA,
SHERWOOD BOEHLERT,
JIM GIBBONS,
RAY LAHOOD,
RANDY "DUKE" CUNNINGHAM,
RICHARD BURR,
TERRY EVERETT,
ELTON GALLEGLY,

MAC COLLINS,
JOANN DAVIS,
MAC THORNBERRY,
JANE HARMAN,
ALCEE L. HASTINGS,
SILVESTRE REYES,
LEONARD L. BOSWELL,
COLLIN C. PETERSON,
BUD CRAMER,
ANNA ESHOO,
RUSH HOLT,
C.A. DUTCH RUPPERSBERGER,

From the Committee on Armed Services, for consideration
of defense tactical intelligence and related activities:

DUNCAN HUNTER,
CURT WELDON,
IKE SKELTON,

Managers on the Part of the House.

PAT ROBERTS,
ORRIN HATCH,
MIKE DEWINE,
CHRISTOPHER BOND,
TRENT LOTT,
OLYMPIA SNOWE,
CHUCK HAGEL,
SAXBY CHAMBLISS,
JOHN WARNER,
DIANNE FEINSTEIN,
EVAN BAYH,
BARBARA MIKULSKI,

Managers on the Part of the Senate.

