

Union Calendar No. 616

106TH CONGRESS }
2d Session

HOUSE OF REPRESENTATIVES

{ REPORT
106-1054

SURVEY OF ACTIVITIES OF THE PERMANENT
SELECT COMMITTEE ON INTELLIGENCE
DURING THE 106TH CONGRESS

REPORT

OF THE

PERMANENT SELECT COMMITTEE ON
INTELLIGENCE



JANUARY 2, 2001.—Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

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LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, January 2, 2001.

Hon. J. DENNIS HASTERT,
Speaker of the House,
The Capitol, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the Rules of the House, I am pleased to transmit herewith an activity report of the Permanent Select Committee on Intelligence, titled "Committee Activity Report for the 106th Congress." The report includes a summary of oversight activities and findings of the Committee during the course of the 106th Congress.

Sincerely yours,

PORTER J. GOSS, *Chairman.*

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Mr. GOSS, from the Permanent Select Committee on Intelligence, submitted the following

REPORT

This report covers the activities of the House Permanent Select Committee on Intelligence during the One Hundred Sixth Congress. Porter J. Goss (Republican, Florida) served as Chairman; Julian C. Dixon (Democrat, California) served as the Ranking Member.

The stated purpose of H. Res. 658 of the 95th Congress, which created the House Permanent Select Committee on Intelligence, was to establish a committee “to oversee and make continuing studies of the intelligence and intelligence-related activities and programs of the United States Government and to submit to the House appropriate proposals for legislation and report to the House concerning such intelligence and intelligence-related activities and programs.”

H. Res. 658 also indicated that the Committee “shall make every effort to assure that the appropriate departments and agencies of the United States provide informed and timely intelligence necessary for the executive and legislative branches to make sound decisions affecting the security and vital interests of the Nation. It is further the purpose of this resolution to provide vigilant legislative oversight over the intelligence and intelligence-related activities of the United States to assure that such activities are in conformity with the Constitution and the laws of the United States.”

In carrying out this mandate, the Committee divided its responsibilities among two subcommittees:

SUBCOMMITTEE ON HUMAN INTELLIGENCE, ANALYSIS, AND
COUNTERINTELLIGENCE

Bill McCollum (R-Florida), Chairman	Alcee L. Hastings (D-Florida), Ranking Member
Charles F. Bass (R-New Hampshire)	Nancy Pelosi (D-California)
Jerry Lewis (R-California)	Norman Sisisky (D-Virginia)
Jim Gibbons (R-Nevada)	Gary A. Condit (D-California)
Ray LaHood (R-Illinois)	
Heather Wilson (R-New Mexico)	

SUBCOMMITTEE ON TECHNICAL AND TACTICAL INTELLIGENCE

Michael N. Castle (R-Delaware), Chairman	Sanford D. Bishop, Jr. (D- Georgia), Ranking Member
Sherwood L. Boehlert (R-New York)	Tim Roemer (D-Indiana)
Charles F. Bass (R-New Hampshire)	Gary A. Condit (D-California)
Jim Gibbons (R-Nevada)	Norman Sisisky (D-Virginia)
Ray LaHood (R-Illinois)	
Heather Wilson (R-New Mexico)	

SCOPE OF COMMITTEE REVIEW

U.S. intelligence and intelligence-related activities under the jurisdiction of the Committee include the National Foreign Intelligence Program (NFIP), the Joint Military Intelligence Program (JMIP), and the Department of Defense Tactical Intelligence and Related Activities (TIARA).

The National Foreign Intelligence Program consists of activities in the following departments, agencies, or other intelligence elements of the government: (1) the Central Intelligence Agency (CIA); (2) the Department of Defense (DOD); (3) the Defense Intelligence Agency (DIA); (4) the National Security Agency (NSA); (5) the National Reconnaissance Office (NRO); (6) the National Imagery and Mapping Agency (NIMA); (7) the Departments of the Army, Navy, and Air Force; (8) the Department of State; (9) the Department of Treasury; (10) the Department of Energy; and (11) the Federal Bureau of Investigation (FBI).

The JMIP was established in 1995 to provide integrated program management of defense intelligence elements that support defense-wide or theater-level consumers. Included within JMIP are aggregations created for management efficiency and characterized by similarity, either in intelligence discipline (e.g., Signals Intelligence and Imagery Intelligence) or function (e.g., satellite support and aerial reconnaissance). The jurisdiction in programs comprising JMIP also fall within the jurisdiction of the House Committee on Armed Services.

The TIARA programs are a diverse array of reconnaissance and target acquisition programs that are a functional part of the basic military force structure and provide direct information support to military operations. TIARA, as defined by the Joint Chiefs of Staff and the Secretary of Defense, include those military intelligence activities outside the defense intelligence programs that respond specifically to requirements of military commanders for operational

support information, as well as to national command, control, and intelligence requirements. The programs comprising TIARA also fall within the jurisdiction of the House Committee on Armed Services.

OVERSIGHT ACTIVITIES

During the 106th Congress, the House Permanent Select Committee on Intelligence (HPSCI), under the leadership of Chairman Porter J. Goss and Ranking Member Julian C. Dixon, has—

- Promoted a bipartisan effort to continue rebuilding and refining the nation's intelligence capabilities to meet increasingly complex geopolitical and technological challenges to national security;

- Advanced the education of Members of Congress and the public on matters of vital interest to national security and the distinct role intelligence plays in its defense;

- Worked to promote cooperation and trust with other committees in performing oversight of issues that implicate matters of joint jurisdiction such as terrorism, narcotics, proliferation, etc.; and

- Worked diligently to address security and counterintelligence weaknesses that were apparent within the Intelligence Community and other components of Executive Branch Departments.

The Committee is concerned that our intelligence capabilities have become increasingly fragile since the breakup of the Soviet Union, and we have failed to invest in new capabilities that are now critical. American interests have expanded, new threats have evolved, and the priority placed on intelligence and the role of the Intelligence Community has grown significantly. For the President and senior policymakers, intelligence forms the basis for key foreign policy strategies and decisions and allows insight into whether those policies are working. Intelligence is also meant to supply the necessary indication and warning information that allows the President to forestall problems rather than simply react to crises. For the military, intelligence not only provides information critical to a commander, but also is now a critical part of military operations, including the functioning of some of the weapon systems themselves.

Intelligence is the first line of defense. Human intelligence (HUMINT) and signals intelligence (SIGINT), in particular, provide direct and immediate threat data to personnel who risk their lives on a daily basis. Numerous examples include: our ground forces in Kosovo, our pilots conducting Northern and Southern watch missions in Iraq, our troops on the border between North and South Korea, our forces engaged in counter-narcotics operations in Latin American, and our Naval forces deployed across the oceans.

The Committee's budget authorizations and recommendations reflect the Committee's concern that the U.S. is placing undue risks on its armed forces and its national security interests by not addressing the many crucial problems facing the Intelligence Community. The Committee has highlighted not only areas of greatest immediate priority, but also stressed the need for enhancing global coverage areas to rebuild important indications and warning capabilities. In particular, the Committee applied considerable focus

and provided several recommendations in the following areas: recapitalizing SIGINT and promoting NSA modernization initiatives; building a stronger and more extensive clandestine HUMINT capability and increasing funding in operations, training, and technical capabilities; furthering efforts to utilize effectively the capabilities of new imagery satellites in the next decade and promoting successful use of commercial resources; and, developing a new strategy for the U.S. Intelligence Community to increase the efficiency and interoperability of costly communications systems.

In its efforts to increase investment in vital elements of the Intelligence Community, the Committee finds that it is imperative that the Administration take greater responsibility in forming a sound intelligence budget. In particular, the Committee has recommended that the President, the DCI, and the Secretary of Defense reexamine the basic processes used to put together the yearly budget request in an effort to better address national security needs. Along with a new approach to budgeting by the Administration, it is the hope of the Committee that efforts will be made for better communication and coordination among the departments and agencies of our intelligence apparatus, allowing them to successfully function as a true "community."

INTELLIGENCE AUTHORIZATIONS FOR FISCAL YEAR 2000 AND 2001

During the 106th Congress, the Committee furthered its objectives of rebuilding and revitalizing our national intelligence capabilities to better meet the threats of the 21st century. With bipartisan support, the Committee sought to provide the resources necessary to ensure that our policymakers and military commanders have timely and reliable intelligence support that is crucial to our nation's security.

The Committee reviewed extensively the President's budget submissions for Fiscal Years 2000 and 2001, fulfilling its responsibility to closely examine the nation's intelligence programs and proposed expenditures. These reviews included substantive and programmatic hearings, Member briefings, and numerous staff briefings. Testimony on the President's budget submission was taken from the Director of Central Intelligence (DCI); the Director of Central Intelligence for Community Management (DDCI/CM); the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD/C31); the Directors of DIA, NSA, NIMA, NRO, and the FBI; and other major intelligence program managers.

The Committee's examination of the President's Fiscal Years 2000 and 2001 intelligence budgets included 20 full committee budget-related hearings, including sessions on Covert Action and Support to Military Operations. Additional hearings addressed the DCI's overall budget submission, the state of health of the Intelligence Community, and the DCI's views and plans for the future of intelligence and the Intelligence Community. In addition to budget-related hearings, the Committee held 19 full committee hearings and 29 full committee briefings on various issues vital to our Intelligence Community and national security. Among the subjects examined by the Committee were: developments in Russia, Colombia, and Iraq; lessons learned from Kosovo; intelligence col-

lection issues; and State Department and Department of Energy security and counterintelligence practices.

The Committee believes that intelligence needs to be a higher priority in the competition for budgetary resources within the Executive Branch and the Congress. Increasing resources for and emphasis on intelligence will ensure that the nation is better prepared for the global challenges that will confront us in the years to come.

The Committee's immediate concern continues to be the health and welfare of our signals intelligence (SIGINT) resources and capabilities. The January 2000 "crash" of National Security Agency computers highlighted the infrastructure deficiencies, failed management, and lack of sufficient acquisition processes and expertise that have plagued the NSA. The Director of NSA has undertaken important efforts to address these critical issues. The Committee, in general, supports these initiatives, and has taken specific steps within the budget authorizations of this Congress to support the Director of NSA and help rectify these problem areas.

In the last two budget authorization bills, the Committee invested significant resources in human intelligence (HUMINT) and signals intelligence (SIGINT). In the area of imagery intelligence (IMINT), the Committee directed the defense and intelligence communities to develop and fund the tasking, processing, exploitation, and dissemination (TPED) activities necessary to utilize the Future Imagery Architecture (FIA) program under development by the National Reconnaissance Office (NRO). In addition, during the 106th Congress, the Committee has sought to correct the serve counterintelligence and security failures that had become shockingly evident at the Departments of Energy and State.

The "Intelligence Authorization Act of Fiscal Year 2000 (P.L. 106-120)" in addition to authorizing generally the activities of the U.S. Intelligence Community included a provision to protect the identity of retired covert agents. This provision increased penalties imposed upon those who willfully disclose agents' identities. In addition, P.L. 106-120 required a joint report from the Directors of the CIA, the NSA, and the Attorney General providing a detailed analysis of the legal standards employed by elements of the intelligence community in conducting signals intelligence activities, including electronic surveillance. The bill also required a report from the Director of Central Intelligence on the activities of the CIA in Chile.

The "Intelligence Authorization Act of Fiscal Year 2001 (P.L. 106-567)" in addition to authorizing the intelligence activities of the U.S. Intelligence Community included a provision requiring the DCI to certify that the State Department is in full compliance with all applicable Director of Central Intelligence Directives (DCIDS) relating to the handling, retention, or storage of classified information. In addition, the bill contained a subtitle addressing management reorganization of the Diplomatic Telecommunications Service Program Office (DTS-PO), including the creation of a Diplomatic Telecommunications Service Oversight Board. Title VI, the "Counterintelligence Reform Act of 2000" is intended to improve coordination within and among the U.S. Government agencies investigating and prosecuting espionage cases and other cases affecting national security. Title VII of the bill, the "Public Interest Declassification Act" provides for a systematic, coordinated, and com-

prehensive review of policy for declassification of records and materials that are of extraordinary public interest. Of key significance for the transformation of NSA, a provision was included that provided the Director of NSA with the ability to offer early retirement incentives to NSA personnel, including senior employees. Finally, the initial conference report submitted to the President for signature, contained a provision that would have provided additional criminal penalties for unauthorized disclosure by U.S. government employees and former U.S. government employees of classified information, and a provision that restricted the manner in which the NRO contracted for launch vehicles.

On November 4, 2000, the President vetoed the initial conference report (H. Rept. No. 106–969) expressing concern regarding the provision on unauthorized disclosure (the so-called “leaks” provision). This veto came despite support for the provision by the Department of Justice and an articulation of support for the Senate’s managers amendment containing the provision in the statement of Administration Policy dated October 10, 2000. The House referred the vetoed conference report back to HPSCI. Chairman Goss, Vice-Chairman Lewis, and Ranking Democrat Dixon introduced a new intelligence authorization bill (H.R. 5630) that was identical to H.R. 4392, absent the “leaks” provision. Subsequently, the Senate passed H.R. 5630, but amended it by removing the provision related to NRO launch contracts, despite the previous agreement of the conferees. Ultimately, the House passed the amended version of H.R. 5630, as adopted by the Senate, and the President signed the bill on December 27, 2000 (P.L. 106–567).

COMMITTEE INVESTIGATIONS

CIA Drug Trafficking Investigation

In August 1996, the San Jose Mercury News published a series of articles regarding the introduction and distribution of crack cocaine into communities of Los Angeles. The article alleged that one of the drug trafficking rings responsible was operated by a Nicaraguan who used some of his drug profits to provide lethal and non-lethal assistance to the Contras. Furthermore, the Mercury News articles implied that CIA either backed, or at least condoned, the drug trafficking activity.

Allegations of drug trafficking by individuals within the Contra movement were not new in August, 1996; however, the Mercury News articles brought these allegations into sharp focus and galvanized public opinion. For this reason, the Committee believed it needed to examine the charges raised by the Mercury News articles thoroughly and objectively.

In performing its examination of the allegations and implications raised in the “Dark Alliance” series, the Committee reviewed CIA Inspector General Reports, Volume I and II, the DOJ Inspector General Report, the Los Angeles County Sheriff’s Department investigation; tasked the Congressional Research Service for background data related to the Iran-Contra investigations; reviewed massive quantities of raw classified CIA files and reporting; conducted interviews in Washington, Los Angeles, and Nicaragua; attended and participated in two “town hall” meetings in South Central Los Angeles; received a number of briefings; and held hearings.

On May 11, 2000, the Committee released a detailed report, which concluded that evidence was not found to support the allegations put forth in the Mercury News “Dark Alliance” series. The Committee report was adopted unanimously (Committee Print, 106th Congress, February 2000, Report on the Central Intelligence Agency’s Alleged Involvement in Crack Cocaine Trafficking in the Los Angeles Area.)

In summarizing its findings, the Committee stated: “The allegations of the Dark Alliance series warranted an investigation, and this Committee performed its role mindful of the tens of thousands of American lives that have been lost to the scourge of crack cocaine. Based on its investigation, involving numerous interviews, reviews of extensive documentation, and a thorough and critical reading of other investigative reports, the Committee has concluded that the evidence does not support the implications of the San Jose Mercury News—that the CIA was responsible for the crack epidemic in Los Angeles or anywhere else in the United States to further the cause of the Contra war in Central America.” (HPSCI Press Statement, May 11, 2000.)

DOE Counterintelligence Failures

In the wake of the report by the so-called Cox Committee¹ on Chinese nuclear espionage and by the President’s Foreign Intelligence Advisory Board (PFIAB) on security lapses at the Department of Energy’s (DOE’s) nuclear weapons laboratories, and in response to Presidential Decision Directive NSC 61 (PDD-61),² a comprehensive reform of counterintelligence (CI) at DOE was undertaken. This was accelerated and significantly refined in response to legislation proposed by Congress which, among other things, created the National Nuclear Security Agency (NNSA).

The Committee established a bipartisan investigative team in the first quarter of FY 2000 to examine the DOE’s plan to improve its counterintelligence posture at its headquarters in Washington and its three key weapons laboratories. The purpose of the examination was to review the status of reforms and to examine issues still unresolved or under consideration. The team was headed by a special staff consultant, Mr. Paul Redmond, one of America’s leading experts in CI and a former head of CI at the Central Intelligence Agency (CIA).

In general, the review determined that DOE had made a good but inconsistent start in improving its CI capabilities. The most progress had been made in building an operational CI capability to identify and neutralize insider penetrations. The two areas of greatest shortcoming, either of which could derail the whole CI program, were in CI awareness training and in gaining employee acceptance of the polygraph program.

The Review Panel’s report was entitled: House Report No. 106-687, Report of the Redmond Panel: Improving Counterintelligence Capabilities at the Department of Energy and the Los Alamos,

¹House Select Committee on U.S. National Security and Military/Commercial Concerns with the People’s Republic of China.

²PDD-61 was issued on February 11, 1998 in response to reports from the General Accounting Office and from the Intelligence Community that found serious CI and security problems at DOE and its constituent laboratories.

Sandia, and Lawrence Livermore National Laboratories, June 21,
2000.

HEARINGS AND BRIEFINGS

CLOSED HEARINGS AND BRIEFINGS

Pursuant to the rules of the Committee (Committee Rule 3(b)(c)), the Committee held 32 hearings and 29 briefings closed to the public on issues involving sensitive information, intelligence sources and methods, and national security.

OPEN HEARINGS

During the 106th Congress, the Committee held an unprecedented number of open hearings on issues of concern to the Intelligence Community and the American people. Although committed to the protection of sources and methods and ensuring the security of our nation's secrets, it is the intention of the Committee, whenever possible, to hold open hearings in an unclassified setting on issues of vital importance and concern to the public.

The Committee held seven open hearings on the following subjects:

- Biological Warfare Threats—March 3, 1999
- Encryption Legislation—June 9, 1999
- Space Launch Failures—June 15, 1999
- Encryption Legislation—July 14, 1999
- Chinese Embassy Bombing—July 22, 1999
- DOE Counterintelligence—February 16, 2000
- NSA Legal Authorities—April 12, 2000

Biological Warfare Threats

On March 3, 1999, the Committee held an open hearing on international biological warfare threats and capabilities. Chairman Goss and Ranking Democrat Dixon pursued this issue in open session because they felt there was significant information that could be made available publicly to inform, not only Members of Congress but also the American public, about the significant dangers to national security brought about by biological weapons and delivery capabilities. The open hearing presented expert testimony with several witnesses including John Lauder, special Assistant to the Director of Central Intelligence for Nonproliferation; and Dr. Ken Alibek, former Deputy Chief of the civilian branch of the Soviet Union's offensive biological weapons program. This open hearing reinforced the Committee's view that robust intelligence is the key to understanding the threat of biological weapons and is vital to preventing their disastrous use.

Encryption Legislation

During the 106th Congress, the Committee held two separate open hearings (June 9 and July 14, 1999) on the public policy debate surrounding proposed encryption legislation because of the se-

rious national security and public safety interests at stake. It was the intention of the Committee to embrace a compromise approach revising the nation's encryption policies, balancing the commercial interest for expanded access to foreign markets with the concerns of national security and law enforcement. During these hearings, the Committee took testimony from Attorney General Janet Reno, FBI Director Louis Freeh, Deputy Secretary of Defense John Hamre, and several senior administration officials who expressed national security concerns with H.R. 850, the "Security and Freedom through Encryption Act (SAFE) Act." During the Committee's consideration of H.R. 850, it was determined that the SAFE Act did not adequately address the negative impact such legislation would have upon law enforcement and national security despite the benefits it would bestow on U.S. business interests.

Striking a balance between SAFE Act proponents and administration officials, the Committee concluded its hearings with the introduction of H.R. 2616, the "Encryption for the National Interest Act," cosponsored by fifteen Members, Republican and Democrat. H.R. 2616 sought to establish a dynamic and constructive framework for continued cooperation between government and industry to achieve a workable solution for the encryption issue. The "Encryption for the National Interest Act" advanced the Committee's position that national security and the protection of Americans are a principal obligation of the federal government.

At the same time, Chairman Goss also introduced H.R. 2617, as a companion bill. The "Tax Relief for Responsible Encryption Act of 1999," proposed a tax incentive for the nation's encryption software manufacturers to develop products with recoverability features.

In an effort to provide leadership on the encryption issue, and to focus on the important national security and high technology aspects of the issue, Chairman Goss, Ranking Democrat Dixon, and twenty-one other Members of the House from both sides of the aisle delivered a letter to President Clinton urging him to convene a summit of industry and government leaders to develop a consensus approach on encryption policy. However, on September 16, 1999, under mounting Congressional and industry pressure, the Administration announced new guidelines for the export of encryption products while promising to attempt a similar balanced approach to the concerns of national security and public safety.

The key principles for national security outlined in the Administration's new proposal for export guidelines included (1) meaningful technical review of encryption products in advance of export; (2) a workable process for post-export reporting on end-use and end-users of encryption; and (3) the ability to deny exports to certain entities for national security reasons. The Committee found the new policy guidelines substantially mirrored the approach it championed on this issue.

Space Launch Failures

In response to a string of space launch failures, the Subcommittee on Technical and Tactical Intelligence, under the leadership of Subcommittee Chairman Michael N. Castle, and Ranking Member Sanford Bishop, held a public hearing (June 15, 1999)

with testimony from NRO director Keith Hall, senior Air Force managers, and industry representatives from the launch program. The Committee felt a serious examination of launch vehicle production, oversight, and operations was necessary to get the root of these failures.

Furthermore, the Committee had been frustrated with aspects of the NRO's launch program particularly with Titan IV production and the launch program's excessive over-funding. The committee had considerable difficulty holding any organization accountable for better program planning because the NRO has launch vehicle and launch services contracts written and managed by non-NRO contracting offices. As a result, the NRO did not have sufficient management responsibility for those contracts and could not be responsive to congressional concerns, nor take necessary corrective actions.

In the wake of these launch failures and the information gathered through the public hearing, the Committee introduced legislation in its mark-up of the "Intelligence Authorization Act for Fiscal Year 2001," which was subsequently agreed upon by the Senate conferees and included in the conference report to the bill (See H. Rept. No. 106-969).³ Section 501 of the conference report required that the NRO contract for vehicle acquisition and launch services directly with launch service providers. It is the decided view of the Committee that more direct control by the NRO over its vehicle acquisition and launch contracts will increase the accountability for such projects within the NRO. Unfortunately, despite previous agreement by the House and Senate conferees, the provision was inexplicably pulled by the Senate from the final bill. Although this provision was not included in the final version of the Intelligence Authorization Act for Fiscal Year 2001, the Committee intends to pursue the issue in the 107th Congress.

Chinese Embassy Bombing

The Committee felt the accidental bombing of the Chinese Embassy in Belgrade, Yugoslavia, on May 7, 1999, was extremely important to discussion in a public forum despite the reluctance of the Administration so that the public could understand the complexity of the issue and that the bombing was the result of flaws in both the intelligence and targeting processes. The public hearing was held on July 22, 1999. The Committee provided more than ample time for the Administration, the Department of Defense, and the Intelligence Community to finalize their review of the incident and to prepare an assessment of the bombing that was appropriate for a public discussion. Meanwhile, to further its investigation and preparation for this hearing, Committee staff conducted interviews, sorted through the results of the various agency investigations, and reviewed the original documents used in the targeting.

Director of Central Intelligence George Tenet and Deputy Secretary of Defense John J. Hamre provided testimony before the Committee and addressed the following key issues: the intelligence failure that led to the mistaken labeling of the Chinese Embassy

³This conference report was vetoed by President Clinton on November 4, 2000, for other reasons. See *supra*.

in Belgrade; the flaws in the targeting process that allowed this initial failure to escape detection; and the corrective measures that have and can be implemented to prevent a repeat of a tragedy of this kind in the future. Further, the Committee questioned the policy underlying the attacks.

DOE Counterintelligence Issues

Upon conclusion of its investigation into DOE security and counterintelligence issues, the Redmond Panel presented its conclusions before the Committee and provided its evaluation on the state of counterintelligence (CI) at the Department of Energy and its key weapons laboratories at Los Alamos, Sandia, and Lawrence Livermore. The scope of the team's investigation was to determine what has been done by the Department of Energy and its key constituent nuclear weapons laboratories to improve counterintelligence policy and practices in the wake of the nuclear espionage investigation at Los Alamos National Laboratory.

In spite of progress in some areas, the Redmond Panel found unsettling the statements put forth by DOE Headquarters claiming that counterintelligence problems had been solved. Failures and deficiencies caused by decades of misfeasance and neglect cannot be fixed overnight. The real test for assessing the CI program will be its future success in catching spies and security violators. This area will remain a focus point for the Committee's oversight activities in succeeding Congresses.

NSA Legal Authorities

Over the course of the 106th Congress, a growing amount of press attention was paid to the SIGINT (signals intelligence) activities of the National Security Agency. This press reporting generally focused on an alleged SIGINT collection program commonly referred to as "Echelon." It was fueled, in part, by a report issued by the European Parliament, accusations put forth by the American Civil Liberties Union, and commentary in the press and elsewhere.

The "Intelligence Authorization Act for Fiscal Year 2000 (P.L. 106-120, Section 309)" required the submission of a classified and unclassified report on the legal authorities under which the NSA conducts its SIGINT activities. The Committee is in receipt of that document and its various appendices (Legal Standards for the Intelligence Community in Conducting Electronic Surveillance, February 1, 2000).

Because of strong public interest in this matter, the Committee took the opportunity to discuss, in open session on April 12, 2000, the strict legal guidelines under which NSA operates and the role SIGINT has in the defense of our nation's security. In an unprecedented overview of the NSA's electronic surveillance activities, NSA Director Lieutenant General Michael Hayden; DCI George Tenet; and Representative Bob Barr testified before the Committee and discussed the regulations and the continued need for executive branch and HPSCI oversight of SIGINT activities of the NSA. Frances Fragos Townsend, Counsel for Intelligence Policy in the Office of Intelligence Policy and Review (OIPR) for the U.S. Department of Justice, testified as well about her office's role in control

and oversight of the NSA's SIGINT activities under the Foreign Intelligence Surveillance Act (FISA).

Notwithstanding the wide-ranging criticism of NSA, the Committee is certain that there is substantial congressional oversight of the NSA's activities. Likewise, the Committee found that executive branch regulations and policies, and administration oversight are appropriately stringent. It is the Committee's considered judgment that the NSA conducts its SIGINT mission within established and well-recognized constitutional limitations and consistently with statutory requirements.

COMMITTEE FACTFINDING

In addition to the day-to-day oversight activities that the Committee performs, on-site examination and hands-on inspection of the Intelligence Community and its activities are essential in evaluating the Community's strengths and weaknesses. Monitoring the collection, operations, and military support elements of the Intelligence Community requires going beyond the U.S. borders and reviewing the nation's intelligence capabilities worldwide. During the 106th Congress, Committee Members and staff visited dozens of intelligence and intelligence-related facilities both within the U.S. and in numerous countries abroad.

In February 1999, Committee Chairman Porter Goss traveled overseas and met with combat pilots aboard the USS Enterprise in the Mediterranean and at Incirlik Airbase in southern Turkey. The purpose of his trip was to assess the intelligence needs of U.S. pilots and to hear firsthand from our war fighters their view of the type of intelligence helpful to them in order to succeed in their missions.

In July 1999, Representative Bass accompanied CODEL Young to South Korea and Japan. In South Korea, the Members investigated concerns regarding regional security issues affected by North Korea aggression and proliferation of weapons of mass destruction (WMD). The Members then traveled to Japan, an important strategic partner, and examined regional security and defense issues as well as economic cooperation among the two nations.

In January 2000, Chairman Goss led a delegation of his Committee colleagues to Australia, New Zealand, and Hawaii. In Australia, the Members met with the counterparts of our DCI and our Directors of the FBI, CIA, DIA (Defense Intelligence Agency) and NIMA (National Imagery and Mapping Agency). In New Zealand the Members held discussions with the Prime Minister and the various members of Parliament who provide oversight of their nation's intelligence functions. In both countries, Members visited the National Parliaments and met with fellow Legislators to discuss bilateral intelligence issues. Stopping in Hawaii, the Members attended various briefings related to U.S. intelligence activities and discussed with U.S. military commanders national security concerns throughout the Pacific theater.

In February 2000, Committee Members visited Moscow, Russia, and held meetings with Russian government officials on bilateral security issues. Members also met with U.S. Embassy personnel and discussed with them various aspects of U.S.-Russia relations within the context of intelligence needs and requirements. The

Members traveled thereafter to Munich, Germany, to attend an annual conference on security issues.

In August 2000, Chairman Goss participated in the Presidential visit to Cartagena, Colombia. Accompanying Speaker Dennis Hastert and other Members of Congress in a show of support for President Pastrana and "Plan Colombia", Chairman Goss learned firsthand the importance of U.S. support to Colombia in its ongoing struggle against the narco-guerrillas. In the wake of the signing of a significant U.S. counterdrug aid package for Colombia, this visit highlighted U.S. commitment to fostering democracy, regional security, and economic development in Colombia.

