

CONGRESSIONALLY DIRECTED ACTIONS

Congressional Instructions

Actions Taken or Pending to Comply with Congressional Instructions

Senate Intelligence Authorizations Report (U)

(U) Anti-Deficiency Act

(U) *FY 1997 Senate Intelligence Authorization Report, Page 7.*



(U) The Central Intelligence Agency (CIA) Office of the General Counsel prepared an opinion on the applicability of the Anti-Deficiency Act to the National Reconnaissance Office's (NRO) incrementally-funded programs. The Department of Defense (DoD) Office of General Counsel concurred with the opinion. The opinion was attached to the Director, Central Intelligence (DCI) letter dated 24 September 1996 sent to the House Permanent Select Committee on Intelligence (HPSCI), Senate Select Committee on Intelligence (SSCI), House Appropriations Committee/National Security Subcommittee (HAC/NSS), Senate Appropriations Committee/Defense Subcommittee (SAC/DefSubCom), House National Security Committee (HNSC), and the Senate Armed Services Committee (SASC).

(U) NRO Financial Management—Management Reserve

(U) *FY 1997 Senate Intelligence Authorization Report, Page 7.*



(U) This issue was addressed in the DCI's letter dated 24 September 1996 sent to the Congressional oversight committees.

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(U) NRO Financial Management—Financial Accounting System

(U) FY 1997 Senate Intelligence Authorization Report, Page 8.

[REDACTED]

(U) The NRO implementation of an integrated financial management system is a two-phased (near and longer term) approach. In the near term, the NRO is integrating and enhancing existing systems. In the longer term, the NRO signed a contract with American Management Systems (AMS), Inc., to acquire the Federal Financial System Program Office Desktop software. The contract was the result of a competitive procurement for commercial-off-the-shelf federal financial system software that produces auditable financial statements. Status of the implementation of these financial systems is reported in the NRO Bi-Monthly Report of Financial Management Practices (latest Report - 11 December 1996).

(U) NRO Financial Management—Termination Reserve Funding Policy

(U) FY 1997 Senate Intelligence Authorization Report, Page 9.

[REDACTED]

[REDACTED]

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(U) Responsibilities of the Deputy Director, National Reconnaissance Office (DDNRO)

(U) *FY 1997 Senate Intelligence Authorization Report, Page 9.*

(U) "The Committee is considering the formal establishment of the DDNRO's responsibilities and authorities similar to those held by the Executive Director, CIA. The Committee requests a report by the date of the Fiscal Year 1997 Intelligence Authorization Conference on the advantages and disadvantages of such an arrangement and a recommendation on how the responsibilities and authorities of the DDNRO should be established."

(U) The DCI provided the requested report as an attachment to his 24 September 1996 letter sent to the HPSCI, SSCI, HAC/NSS, SAC/DefSubCom, HNSC, and SASC.

Creation of NRO Contingency Reserve

(U) *FY 1997 Senate Intelligence Authorization Report, Page 10.*

(U) "The Committee directs the DCI to report to the Committee, prior to the meeting of the Intelligence Authorization Conference for Fiscal Year 1997, the advantages and disadvantages of creating such a Contingency Reserve."

(U) The DCI addressed the Committee's proposal for Contingency Reserve in his 24 September 1996 letter sent to the HPSCI, SSCI, HAC/NSS, SAC/DefSubCom, HNSC, and SASC.

(U) Commercial Uses of Intelligence Community Developed Imagery Applications

(U) *FY 1997 Senate Intelligence Authorization Report, Page 12.*

(U) "It appears to the Committee this is the first step of many in identifying and transitioning imagery capabilities that have a commercial as well as intelligence use. The Committee requests the DCI furnish a plan to the defense committees for the continued dual-use development of imagery technology by December 1, 1995."

(U) With the concurrence of the SSCI staff, the National Imagery and Mapping Agency (NIMA) has accepted responsibility for answering the Committee's request for a plan for continued dual-use development.

(U) Excess Forward Funding

(U) *FY 1997 Senate Intelligence Authorization Report, Page 32.*

(U) "The Committee expects a full report on forward funding levels and the rate the NRO is accruing liabilities by the time of the FY 1997 Intelligence Authorization Conference."

(U) The NRO Associate Director for Resource Management and Oversight (AD/ROM), briefed the oversight committee staffs on the results of the FY 1996 third quarter Budget Execution Review prior to conferences.

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(U) House Intelligence Authorizations Report

(U) National Reconnaissance Program—Forward Funding

(U) FY 1997 House Intelligence Authorization Report, Page 12.

(U) "The Committee awaits the results of the second quarterly review in order to understand where the NRO stands in relation to needed spend rates for fiscal year 1997. The committee requests an assessment of the recent Inspector General report and the procedures the NRO plans to implement to fix cited deficiencies."

[REDACTED]
(U) FY 1997 House Intelligence Authorization Report, Page 32.

[REDACTED]
(U) FY 1997 House Intelligence Authorization Report, Page 36.

[REDACTED]
(U) FY 1997 House Intelligence Authorization Report, Page 47.

(U) The NRO Associate Director for Resource Management and Oversight (AD/ROM), briefed the oversight committee staffs on the results of the FY 1996 third quarter Budget Execution Review prior to conferences.

[REDACTED]
(U) The NRO provided a memorandum on AST technology to the HPSCI staff on 23 September 1996.

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~~S~~ Intelligence Authorization Conference Report

(U) Congressional Budget Justification Book (CBB)

(U) FY 1997 Intelligence Authorization Conference, Page 7-8.

(U) "For fiscal year 1998 and beyond, the conferees request that the CBBs contain a consolidated table providing summaries by NRP line item, to include at minimum the following information: program, expenditure center, project title, budget comparisons by year (last year, current request and following year), past/current request change and projected FYDP totals."

(U) System Engineering and Technical Assistance (SETA)

(U) FY 1997 Intelligence Authorization Conference, Page 15.

(U) "The conferees request that by March 1, 1997, an independent assessment be provided to the oversight committees that examines the historical levels of SETA [also known as Contract Advisory and Assistance Services (CAAS)] support and recommends guidelines for maintaining appropriate levels of support in the future. The guidelines should be consistent with streamlined acquisition practices."

(U) Synergy

(U) FY 1997 Intelligence Authorization Conference, Page 15-16.



(U) The conferee requested table appears in this CBB on page 286.

(U) The Inspector General of NRO is conducting an independent assessment of SETA support. Results of this assessment are anticipated in mid-to late-April 1997.

(U) The NRO Synergy plan is in progress and we expect to deliver it to the Committees by 30 January 1997.

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(U) Senate Appropriation Committee Report

[REDACTED]

(U) FY 1997 Senate Intelligence Appropriations Report, Page 20.

[REDACTED]

(U) The NRO is preparing a presentation on this subject for the Committee.

(U) House Appropriation Committee Report

(U) Carry Forward

(U) FY 1997 House Intelligence Appropriations Report, Page 28-29.

(U) "To correct deficient financial practices of the recent past, the NRO has set the target of having no more than two months of forward funding on hand by the end of fiscal year 1996, and one month of forward funding by the end of fiscal year 1997. To ensure that these goals are met and to demonstrate control of its financial operations, the committee directs that the NRO: (a) report to the Committee its unobligated balances for all appropriations and fiscal years as of September 30, 1996, and September 30, 1997; (b) provide a listing, as of September 30, 1996, of contracts which have funding in excess of costs to be incurred through November 30, 1996; and (c) provide a listing as of September 30, 1997, of contracts which have funding in excess of costs to be incurred through October 31, 1997. In submitting these reports to the Committee the NRO will provide narrative explanations for those contract amounts exceeding target."

(U) The NRO report on unobligated balances for all appropriations and fiscal years as of 30 September 1996 is complete. With its current financial accounting system, the NRO cannot provide an automated listing of contract funding in excess of cost to be incurred through 30 November 1996. The DoD/IG and auditors are working to produce this information manually. We will, in the future, have an automated system. A report will be completed and submitted as soon as this information is available.

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(U) **Financial Management Automated Data Processing (ADP) Upgrades**

(U) *FY 1997 House Intelligence Appropriations Report, Page 31.*

"The Committee recommends an additional [REDACTED] for the acquisition of ADP equipment and the development of associated software to accelerate the NRO's transition to a common accounting system. The funds provided shall also be used for the procurement of contract support software automation tools for NRO-wide application. The Committee directs the NRO to provide a report no later than March 15, 1997 detailing its plans to implement a common accounting system and other financial management upgrades."

(U) The FY 97 Defense Appropriations Conference provided the NRO with [REDACTED] for financial management ADP upgrades. The implementation of an NRO integrated financial management system which complies with the Committee's direction is in progress. Current status of the implementation is reported in the current NRO Bi-monthly Report of Financial Management.