



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 11, 2018
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 6237 – Matthew Young Pollard Intelligence Authorization Act **for Fiscal Years 2018 and 2019**

(Rep. Nunes, R-CA)

The Administration appreciates the continued work of the House Permanent Select Committee on Intelligence (Committee) to ensure the Intelligence Community (IC) has the necessary tools to protect the Nation. In particular, the bill's provisions make important strides that enable implementation of the President's National Security Strategy and enhance protections for intelligence sources and methods. Among other positive aspects, the bill includes provisions that strengthen protections for IC personnel and facilities and extend authority to secure the IC's supply chain.

The Administration looks forward to reviewing the classified schedule of authorizations once it becomes available and to working with the Congress to address classified authorization levels. Although the bill contains many provisions that advance the mission of the IC, the Administration has concerns with several others and looks forward to working with the Congress to address these concerns as outlined below.

Office of the Director of National Intelligence (ODNI) Reporting Structure. The Administration strongly objects to sections 2401 and 2402, which would require two positions within ODNI, the IC Chief Financial Officer and IC Chief Information Officer, to report directly to the Director of National Intelligence (DNI). As briefed to the Committee, the DNI and Principal Deputy DNI are implementing an ODNI transformation plan that will leverage a leadership structure based on Deputy Directors. Specifically, ODNI's transformation will improve the collaboration and efficiency of five components that focus strategically on the IC's resources, workforce, systems, technology, and infrastructure by bringing them together under a Deputy Director for Enterprise Capacity. If ODNI is required to use a separate reporting process for two out of the five components, it will erode the purpose of the reorganized structure. Within the reorganized structure, these two positions will continue to serve their statutory roles as the DNI's principal advisors within their areas of expertise. As such, they will continue to have direct access to the DNI and Principal Deputy DNI to execute these responsibilities.

Secure Cellular Voice Solution. The Administration also strongly objects to section 2307, which would mandate an IC enterprise-wide secure voice cellular solution based on commercially available technology that operates on existing commercial cellular networks. Prescriptive statutory requirements for communications infrastructure can present serious security and counterintelligence risks. The IC requires the flexibility to develop secure communications

infrastructure that can adapt to evolving technology to ensure the protection of intelligence sources and methods against the increasing challenges presented by foreign adversaries.

IC Information Technology Environment. The Administration objects to section 2306, which would negatively impact the success and efficiency of the IC Information Technology Enterprise (IC ITE). IC ITE furthers intelligence integration by moving the IC's IT operating model from an agency-centric IT architecture to a common platform to enable the IC as a whole to easily and securely share technology, information, and resources. The Administration appreciates the Committee's interest in the planning and accountability for IC ITE. Section 2306 as written, however, is overly prescriptive, extends beyond IC ITE's purpose, and would significantly hinder the implementation and adaptability of IC ITE and other common platforms. Section 2306's definitions for key services, core services, and services of common concern are inconsistent with existing structures and risk reversing the gains achieved in establishing common platforms. The provision might have the unintended consequences of increasing stovepipe solutions and decreasing IC collaboration. The Administration looks forward to working with the Committee to ensure the ultimate success of common IC services and programs.

Submission of IC Policies. The Administration objects to section 2309, which would require an electronic repository to provide the Committee all non-publicly available policies, directives, and guidance issued by the DNI for the IC. This provision is unnecessary and overly broad; the IC already provides IC policies to the Committee as a matter of course or upon request.

Collocation of Certain Department of Homeland Security (DHS) Personnel at Field Locations. The Administration objects to section 2431, which would require DHS to transfer not fewer than 40 Intelligence and Analysis headquarters personnel located at the Nebraska Avenue Complex (NAC) to locations at least 30 miles from the NAC in order to collocate them with various DHS operational units. The section imposes an arbitrary relocation requirement, which would have no identifiable bearing on the risk, cost, and effectiveness of such staffing allocations.

Minimum Insider Threat Standards. The Administration objects to section 2308, which would require a policy for minimum insider threat standards, because it is unnecessary and duplicative. The National Insider Threat Policy and Minimum Standards for Executive Branch Insider Threat Programs already have been established pursuant to Executive Order 13587.

Reporting Requirements. The Administration objects to certain reporting requirements in the bill. The bill contains over a dozen reporting and briefing requirements, with a number on a recurring basis. The IC takes seriously its responsibilities to keep the Congress fully and currently informed of intelligence activities. Extensive reporting requirements, however, are burdensome and take limited resources away from executing the IC's critical missions. Although the Administration appreciates the Committee's support for prosecution of unauthorized disclosures of classified information, it objects to section 1509 because the section would require reporting of information about ongoing criminal investigations. The Administration also objects to section 1510, which is duplicative and would require the DNI to assume additional responsibilities as part of the Vulnerabilities Equities Process (VEP), including reporting on the activities of all agencies that participate in VEP. The Administration is committed to ensuring the Committee has the

information necessary for effective oversight of the IC and looks forward to working with the Committee to address these concerns.

Establishment of Energy Infrastructure Security Center. The Administration has significant concerns regarding section 2422, which would require the President to establish an Energy Infrastructure Security Center within the Office of Intelligence and Counterintelligence at the Department of Energy (DOE). The proposed center would create a vast infrastructure not needed to evaluate or mitigate cyber threats to critical energy infrastructure. The Administration would instead continue to pursue activities to study, understand, and develop mitigations that address the cybersecurity threat to critical infrastructure.

Comptroller General Cooperation. The Administration has concerns regarding section 2505, which would provide for a Government Accountability Office (GAO) review of senior executive positions within ODNI. The Administration appreciates the value of appropriate GAO engagements and the importance of working cooperatively with GAO. The 5-day deadline to provide GAO information in response to this engagement, however, is unworkable. The time necessary to respond to GAO requests depends on the nature and complexity of each request. Some requests require working closely with GAO to understand how best to provide information. And some requests involve high volumes of information. Short, inflexible deadlines are unnecessary and can interfere with this cooperative process.

Period of Overseas Assignments for Certain Foreign Service Officers. The Administration has concerns regarding section 1501, as it would undermine the Secretary of State's discretion to manage the State Department and flexibly adjust staffing levels to advance the foreign policy and national security interests of the United States, as well as support the professional development of career officers as the Secretary deems appropriate. Moreover, because some of these languages are only spoken primarily in one or two countries, and others are spoken primarily at unaccompanied or hardship posts, this provision could have unintended ramifications, including a chilling effect on recruitment and retention.

* * * * *