

Proposed Amendment

Section 1. HUMANITARIAN ASSISTANCE FOR NICARAGUAN RESISTANCE FORCES.

1(a) Authorization--

Appropriates \$27 million for AID, to be available through February 1986 (9 months), for use only for humanitarian assistance provided through AID, for Nicaraguan resistance forces. Funds would be made available in 3 installments of \$9 million each, coinciding with and contingent upon fulfillment of the 90-day reporting requirement in sec. 3.

Appropriates an additional \$2 million for expenses arising from implementation of a Contadora agreement.

Modifies current law Boland amendment language to conform to change already approved by the House Intelligence Committee (on May 14) for FY86. (See attachment)

1(b) Definition of Humanitarian Assistance--

Prohibits use of aid for "weapons, weapons systems, ammunition, or other equipment or material which can be used to inflict serious bodily harm or death".

Section 2. POLICIES WITH RESPECT TO NICARAGUA.

- (1) The President is urged to pursue diplomatic and economic steps to resolve the conflict in Nicaragua and bring about implementation of the Contadora objectives of 1983, and to develop trade and economic measures in close cooperation with other nations to encourage Nicaragua to resolve the conflict.
- (2) The President is urged to suspend military maneuvers in Honduras and off Nicaragua's coast, and to lift the current U.S. trade embargo, if GON agrees to a cease-fire, to open a dialog with the resistance forces, and to suspend the state of emergency.
- (3) The President would be required to report to the Intelligence Committees what the administration knows about human rights violations by the resistance forces, about who is responsible and a course of action to cleanse the leadership of the resistance forces so that it is free of the taint of "Somocismo" and of those guilty of major violations of human rights against the civilian population.

- (4) The President is urged to resume bilateral discussions with GON to encourage a church-mediated dialog between GON and the resistance forces, and a comprehensive, verifiable agreement among the nations of Central America, based on the Contadora objectives.

Section 3. QUARTERLY REPORTS.

Requires the President to report to Congress every 90 days on activities carried out in accordance with the amendment, including efforts to reach a negotiated settlement, steps taken by the resistance forces in accordance with paragraph (3) of section 2, and a detailed accounting of disbursements made for humanitarian aid.

Section 4. ADDITIONAL ASSISTANCE FOR NICARAGUAN RESISTANCE FORCES.

In the absence of progress toward resolving the conflict, the President may, after consultation with Congress, submit a request for additional aid to the resistance forces, in such amount and of such nature as he deems appropriate. Such request, in the form of a joint resolution, would be considered under special expedited procedures used to consider aid earlier this year.

Section 5. ADDITIONAL ASSISTANCE FOR CENTRAL AMERICAN PEACE PROCESS.

Similar to section 4, to provide for the introduction and expedited consideration of a Presidential request for additional assistance to aid the Central American peace process.

mittee reflect percentage reductions larger than those adopted by the Committee on Armed Services to the overall FY 86 defense budget.

Further, these reductions are reflected in the total reductions and resultant growth rate for the overall defense budget recommended by H.R. 1872, the FY 1986 Defense Authorization Act. In the committee's view the recommended authorization for intelligence and intelligence-related activities in this bill represents a reasonable balance between needed capabilities and prudent cost. The committee has stated repeatedly in the past that increases of the magnitude requested over the past several years cannot be sustained. These requests represent a program to increase capabilities and respond to new requirements, but they also represent funding commitments that already promise to become difficult to meet in the years to come.

It should be understood that the intelligence budget is largely a subset of the defense budget. Almost all of the intelligence budget is contained within the defense budget both for reasons of security and because the great majority of intelligence activities are conducted by elements of the Department of Defense. Thus, increases and decreases for intelligence are largely changes to the defense budget and are not *direct* changes to the federal budget as a whole. The Defense Authorization Bill establishes the overall budget limit for defense and reflects all changes to intelligence programs contained in this bill except for those few programs which are not in the defense budget. As a result of this close correlation between intelligence and defense, the committee takes the view that reductions to intelligence should parallel those made to the defense budget as a whole. The committee's recommended reductions are somewhat greater than the reduction currently proposed for the defense budget overall. This reduction still permits limited real growth in the intelligence budget because it contained more growth than the average growth for defense overall. Budget emphasis on intelligence was a deliberate decision by the President, Secretary of Defense, and Director of Central Intelligence. The committee accepts the priority that has been placed on intelligence, but has recommended reductions which are commensurate with those applied to defense as a whole and which are responsible.

The committee recognizes that the budget submitted by the Director of Central Intelligence grew considerably less this year compared to recent previous years. Additional demands for intelligence will create pressure for greater growth. The committee believes that very little real growth can be expected for the next several years.

AMENDMENTS

On page 4, line 6, strike everything through line 13 and insert in lieu thereof the following:

SEC. 105. During fiscal year 1986, no funds available to the Central Intelligence Agency, Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended, directly or indirectly, for material assistance to the Nicaragua

guarantee democratic resistance including arms, ammunition, or other equipment or material which could be used to inflict serious bodily harm or death, or which would have the effect of providing arms, ammunition or other weapons of war for military or paramilitary operations in Nicaragua by any group, organization, movement or individual.

On page 6, lines 24-25, strike", subject to the provisions of section 501,".

On page 7, line 2, strike "Fund" and insert in lieu thereof "Funds".

SECTION-BY-SECTION ANALYSIS

TITLE I—INTELLIGENCE AND INTELLIGENCE-RELATED ACTIVITIES

Section 101 lists the departments and agencies for whose intelligence and intelligence-related activities the bill authorizes appropriations for fiscal year 1986.

Section 102 makes clear that, with the exception of sections 103 and 105, details of the committee's recommendations with respect to the amounts authorized to be appropriated for intelligence and intelligence-related activities and personnel ceilings covered under this title for fiscal year 1986 are contained in a classified schedule of authorizations to the bill and the classified annex to this report. The schedule of authorizations is incorporated into H.R. 2419 by this section.

Section 103 authorizes appropriations of \$15,200,000 for the counterterrorism program of the Federal Bureau of Investigation.

Section 104 permits the Director of Central Intelligence to authorize the personnel strength of any intelligence element to exceed the fiscal year 1986 authorized personnel levels by no more than 2 percent if he determines that doing so is necessary for the performance of important intelligence functions. The Director must notify the two intelligence committees promptly of any exercise of authority under the section.

It is to be emphasized that the authority conveyed by this section is not intended to permit the wholesale raising of personnel strength in each or any intelligence component. Rather, the section provides the Director of Central Intelligence with flexibility to adjust personnel end strength temporarily for contingencies and for overages caused by an imbalance between hiring of new employees and attrition of current employees for retirement, resignation, etc. The committee does not expect the Director of Central Intelligence to allow heads of intelligence components to plan to exceed personnel levels set in the schedule of authorizations except for the satisfaction of clearly identified hiring needs which are consistent with the authorization of personnel strengths in this bill. In no case is this authority to be used to provide for positions denied by this bill.

As introduced, Section 105 would have prohibited any funds available to any agency involved in intelligence activities being used to support, directly or indirectly, military or paramilitary operations in Nicaragua. The section also had the effect of denying any funds requested for such a purpose in fiscal year 1986. It would