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Mr. James M. Frey
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Frey:

This is in response to your request for the views of the Central Intelligence Agency on H.R. 316, the "Limitation on Government Recordkeeping Requirements and Actions Act of 1981." For the reasons discussed below, this Agency opposes enactment of this legislation.

Upon analysis, we find H.R. 316 to be vague and ambiguous in breadth, scope, and purpose, and debilitating in impact. Paragraph 2 (a)(1) could impact negatively on the CIA's classified procurement capability by, for example, removing, at the end of a four year period, all contractual and legal obligations, including those concerning security, from the contractor and by arguably eliminating all legal remedies to protect information and material that is sensitive or that must remain classified. In addition, this provision would appear to implicitly amend section 3(d) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403(d)) which reads in pertinent part:

> (d) The power of the [Central Intellignce] Agency head to make determinations or decisions specified in sections 151(c)(12), (15) and 154(a) of title 41 shall not be delegable. Each determination or decision required by 151(c)(12), (15), 153, or 154(a) of title 41, shall be based upon written findings made by the official making such determinations, which findings shall be final and <u>shall be available within the Agency for a period of at least six years following the date of determination</u>. (emphasis added)

Paragraph 2(a)(2), by imposing a four year statute of limitation on the U.S., would, upon enactment, significantly reduce the ability of the Government to pursue its just claims and debts. While most contract settlements are completed well within a four year period, certain difficult ones could drag on. Accordingly, in such cases, the Government's bargaining power would continually diminish as the tolling of the four year statute approaches.

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Should you have any questions concerning our views, do not hesitate to contact this Office directly.

Frederick P. Hitz
Legislative Counsel

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