



CENTRAL INTELLIGENCE AGENCY

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WASHINGTON 25. b. c.

OFFICE OF THE DIRECTOR

APR 13 1956

Honorable Sam Rayburn
Speaker of the House
of Representatives
Washington 25, D. C.

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Dear Mr. Speaker:

There is forwarded herewith a draft of legislation "To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes," together with a sectional analysis of that legislation.

The Bureau of the Budget has advised that it has no objection to the submission of this proposed legislation to the Congress, and the Central Intelligence Agency recommends its enactment.

The purposes of this legislation are to provide for a limited amount of additional flexibility in the procurement operations of this Agency, to provide certain benefits to CIA employees serving abroad and their families, and to make certain technical changes in the existing law.

Section 1 of the proposed legislation contains three amendments to the Central Intelligence Agency Act of 1949, relating to procurement authorities. The first of these is designed to provide this Agency with authority identical to that of the Armed Services as to the circumstances under which purchases and contracts may be made without advertising. Although the volume of CIA purchases and contracts is negligible compared to that of the Armed Services, we are confronted in general with all of the typical situations with which the Services are faced in this field. A second proposed amendment provides that Agency contracts in the research and development field may extend over an initial term of not to exceed five years, with a possible extension of an additional five year maximum period if funds are available therefor. I have described to Committees of the Congress with jurisdiction over CIA matters certain types of special projects of a unique and important nature which this Agency undertakes from time to time in the research and development field. In order to provide necessary lead time in these projects, we feel we need the authority to contract over a period of years, in a manner substantially

particularly of rent. Frequent exceptions have been made to this provision of law; e.g., for payments made for the Bureau of Customs in foreign countries (31 U.S.C. 529 b), for the enforcement of customs and narcotics laws (31 U.S.C. 529 f), for the Office of Scientific Research and Development (31 U.S.C. 529 h), and for advance payments of office rent in foreign countries by the Bureau of Foreign and Domestic Commerce. This statute is also specifically waived for the armed services, and the Department of State has acquired an exception in its current Appropriation Act (P.L. 133 of 7 July 1955).

SECTION 5.

This provision corrects a typographical error in Section 10(a)(1) of the Central Intelligence Agency Act of 1949. The authority which was intended to be granted by this clause was the authority to pay claims under the Federal Tort Claims Act (Chapter 171), but the chapter number was omitted from the final printed versions of the bill as passed.