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4 December 1986

NOTE FOR: Lt Gen Heinz

Sir:

Attached folder holds correspondence from HPSCI to SECDEF and DCI along with DoD's response and the proposed responses from CIA, which OSD would not coordinate.

As I mentioned earlier, SECDEF's response is in line with our position all along. A copy of the memo was provided to CIA. The proposed DCI response(s) covers costing across the board with the second letter specifically addressing intelligence collection. References to your involvement are highlighted. While the same position on the accounting of collection is reflected, OSD no doubt non-concurred with the highlighted provisions of the DCI's memos (i.e. SECDEF's belief that collection should not have been included in the cost account).

I would recommend that DCI references to the FY87 baseline be deleted and replaced by a reference to what we discussed yesterday, i.e., provision of a generic requirements/resources audit for Nicaragua to the HPSCI and SSCI. Your response for the DCI could outline that in more detail.

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OK — prepare it — coordinate w/me thin work w/ Task Force

Lawyer

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5 December 1986

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This transmits our revised draft of the DCI's response(s). As you can see the page two, top paragraph of one letter was deleted and the final paragraph of the other memo modified.

The update mentioned will be the result of the USSOUTHCOM, DIA (CAJIT), and CIA (CATF) requirements review. This will be put before the CBISG prior to transmittal to the HPSCI. We intend for it to be a Community position.

Please have the appropriate people review the deletion and modification. If at all possible, I would appreciate comments by COB. Once OSD concurs, CIA will revise and return for coordination. In the event you cannot get a response today, please call Debby next week and she will notify the CATF (I'll be in Salvador). Lt Gen Heinz will discuss this with Mr. Sanchez if there is a problem or further clarification is required.

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