



CENTRAL INTELLIGENCE AGENCY  
WASHINGTON, D.C. 20505

EXECUTIVE DIRECTOR

3 January 2003

Mr. David Childs  
Office of Federal Procurement Policy  
Office of Management and Budget  
Washington, DC 20503

Dear Mr. Childs:

The Central Intelligence Agency (CIA) has reviewed the proposed revisions to OMB Circular A-76, "Performance of Commercial Activities," as transmitted by the Administrator, Office of Federal Procurement Policy, on 9 December 2002. We offer the following comments.

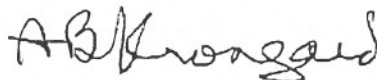
The CIA wants to reemphasize its longstanding commitment to the principles and concepts underlying the current OMB Circular A-76 and the proposed revisions. The CIA has taken a number of steps over the years to further the spirit of OMB Circular A-76; however, because of the Director of Central Intelligence's (DCI's) statutory responsibility to protect intelligence sources and methods, 50 U.S.C. § 403-3(c)(6) and 50 U.S.C. §403g, and other unique authorities and missions, the CIA has drawn careful distinctions between those activities that may be performed by private commercial sources and those that must be performed by Government personnel (e.g., collection of human intelligence and actions covered by 50 U.S.C 413b)).

We are firmly committed to the philosophy of reliance on the private sector for commercial activities in satisfaction of CIA needs subject to the protection of intelligence sources and methods and consistent with unique Agency authorities and missions. As such, to the extent that certain Agency activities, which are characterized as commercial activities under OMB Circular A-76, can be contracted out, the Agency will continue to contract out those activities. While I believe the CIA is in compliance with the intent of the proposed OMB Circular A-76, the inconsistency between the disclosure requirements embodied in OMB Circular A-76 and the DCI's statutory responsibility

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to protect intelligence sources and methods precludes full implementation of the Circular.

In sum, we endorse the objectives of OMB Circular A-76 and will be guided by the spirit of its provisions; however, we will be unable to comply with the letter of its requirements and at the same time meet the DCI's statutory responsibilities and execute the Agency's unique authorities and missions.

A handwritten signature in cursive script, appearing to read "A. B. Krongard".

A. B. Krongard