



Accounting and Information
Management Division

B-270363

April 1, 1996

Congressional Committees

In October 1994, the Congress enacted the Communications Assistance for Law Enforcement Act¹ (CALEA) to ensure the ability of law enforcement agencies, when authorized by court order, to intercept (wiretap) electronic communications. To accomplish this goal, the act established a process whereby (1) the Department of Justice notifies telecommunications carriers of law enforcement's capacity requirements,² (2) the carriers respond with statements identifying systems and services that do not meet the requirements, (3) Justice, using the statements and other law enforcement information, selects carriers to modify their networks (that is, change or add equipment, facilities, and services) to accommodate law enforcement requirements, and (4) Justice reimburses the carriers for the modifications from \$500 million authorized by this law, subject to congressional appropriations. Justice has assigned the responsibility for carrying out these tasks to the Federal Bureau of Investigation (FBI).

The act also requires GAO to report to the Congress by April 1, 1996, and every 2 years thereafter, on (1) the equipment, facilities, and services that have been modified to comply with the act and (2) whether FBI payments to telecommunications carriers for equipment, facilities, and services are reasonable and cost effective. The act directs us to include in our report the estimated total cost of bringing the telecommunications carriers into compliance with law enforcement requirements and a description of the equipment, facilities, and services that are modified to accomplish this objective.

¹Public Law 103-414, October 25, 1994 (47 U.S.C. 1001 et seq.).

²The capacity requirements specify the number of electronic wiretaps that law enforcement anticipates it will need to conduct and use simultaneously on carrier networks.

As we stated during recent briefings with your offices, the FBI has not finalized law enforcement requirements and notified the telecommunications carriers of them. Consequently, no modifications have been made, and the FBI has not made payments to the carriers. In addition, the funds to pay for any carrier modifications that may occur in the future have not yet been appropriated by the Congress.

The FBI issued draft requirements on October 16, 1995, which were published in the Federal Register with a 30-day period for public review and comment. The FBI had originally planned to issue the final requirements in late December 1995. However, at the request of the telecommunications industry, the FBI extended the comment deadline until January 16, 1996, to allow additional time for comments. Since then, the FBI has been meeting with carriers, addressing their comments, and incorporating them where appropriate as part of the process of finalizing the requirements. The FBI now plans to issue revised requirements in May 1996 to allow the public to see how the FBI has responded to the comments, with the goal of finalizing the requirements in August 1996. FBI officials attributed the 7-month delay to the fact that (1) the process of obtaining and addressing public comments has taken longer than they anticipated, (2) they decided as a result of carrier comments to revise the requirements to specify separate standards for wireline and wireless communication systems, which has been very time-consuming, and (3) they plan to issue the revised requirements in May 1996 to give the public another opportunity to review them, which they had not originally planned to do.

Under the act, those carriers that do not meet law enforcement requirements have 180 days from the issuance of the final requirements to submit statements to the FBI identifying systems and services that are not in compliance. Using the statements and other law enforcement information, the FBI will ask selected carriers to propose how they plan to modify their networks to satisfy the requirements. When the FBI receives the proposals, it will review them and, subject to congressional appropriations, contract with carriers to make the approved changes and pay carriers as work is completed. Because the FBI does not know (1) how long it will take to review proposals and contract with the carriers, (2) the extent of the requisite network modifications, and (3) when the funds will be available, the date when the FBI will begin to make payments has not yet been determined.

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We initiated this review in August 1995 and monitored FBI activities through March 1996. Our work was performed in accordance with generally accepted government auditing standards.

We provided a draft of this letter to Justice and FBI officials responsible for implementing this program. They agreed with its contents and we have incorporated their comments as appropriate.

We are sending copies of this letter to the Chairmen and Ranking Minority Members of the Senate and House Appropriations Committees; the Senate Committee on Governmental Affairs; the House Committee on Government Reform and Oversight; the Subcommittee on Commerce, Justice, State, The Judiciary and Related Agencies, Senate Committee on Appropriations; and the Subcommittee on Commerce, Justice, State, and Judiciary, House Committee on Appropriations. We are also sending copies to the Attorney General of the United States and the Directors of the Federal Bureau of Investigation and the Office of Management and Budget. Copies will be made available to others upon request.

This letter was prepared under the direction of Linda D. Koontz, Associate Director, Information Resources Management/General Government Issues, who may be reached at (202) 512-6240 should you or your staffs have questions. Mark E. Heatwole, Assistant Director, and Gary N. Mountjoy, Senior Information Systems Analyst, were major contributors to this letter.



Gene L. Dodaro
Assistant Comptroller General

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