# NATIONAL INDUSTRIAL SECURITY PROGRAM POLICY ADVISORY COMMITTEE MINUTES OF THE MEETING

## APRIL 7, 1999

The National Industrial Security Program Policy Advisory Committee (NISPPAC) held its thirteen th meeting on April 7, 1999, at 10:00 a.m. at the National Archives Building, 700 Pennsylvania Avenue, Northwest, Washington, DC. Steven Garfinkel, Director, Information Security Oversight Office (ISOO) chaired the meeting. The meeting was open to the public.

## 1. Welcome, Introductions and Announcements

After welcoming those in attendance, the Chairman asked for self-introductions. Attached is a roster of those NISPPAC representatives in attendance.

After the welcome and introductions, the Chairman submitted the minutes of the September 17, 1998, meeting for approval. The NISPPAC members approved the minutes without correction.

## 2. NISP Report – NISP Survey Team

Rudolph Waddy, Senior Program Analyst, Bernard Boyd and Philip Calabrese, Program Analysts, Information Security Oversight Office, gave an update on the NISP survey. The survey included selected contractors in the Southwest, West Coast and

Washington, DC regions. The survey included Cognizant Security Agency perspectives on industry concerns, uniformity in security procedures through cooperation, education, and awareness.

The survey team informed the Committee on the some of the achievements indicated in the second NISP report. The Report indicates a greater awareness and uniformity in security procedures, increased reciprocal acceptance of agency inspections, personnel and facility security clearance. All of these achievements lowered security costs. Although the report indicated several accomplishments, it is evident that more needs to be done to achieve a fully effective program.

## 3. Group Discussion on NISP Successes and Frustrations – Incorporating a Discussion on the Status of NISPOM Chapters 8 and 10

Dick Williams commented on how balanced the second NISP Report was in comparison with the first report. He stated some of the challenges causing the goals of NISP not being met is the reduction of funding on both the Government and the contractor side, and lack of resources which causes extreme challenges which prevents the accomplishment of the fundamental premise of the NISP. Another reason for the goals not being met is the decisions that were made and how they were made, were based on information at hand at that time, and situations changing which made it difficult to meet the challenges that arose.

Mark Borsi, NASA, and Andrea Jones, State Department, expressed their concerns of down the road indications for a break down in reciprocity, specifically in the areas of the industrial security and the personnel security investigation process. In regards to fee for service, DSS schedules are going as predicted, 18 months for some of the smaller facilities, without any insurance that even after that 18 month period the contracts will be looked at. It was expressed that since contractors at these smaller facilities are paying cash for these services, it is becoming very attractive to perform this service without going through the usual process. In the area of paying for personnel security investigations, since the contractors are now paying cash for this service, and if this results in the ability to compete with other investigative providers, then it becomes a reciprocity issue. Contractors are now beginning to feel that since they are now paying cash for initial facility clearances, companies with stock bottom clearance are allowed to come in at a cheaper rate.

These are rather tough issues and are being worked out through MOU and with DSS.

## 4. DSS Update

Renee Davis-Harding opened the discussion informing the attendees that DSS has brought on line their case control management system. Even though technical problems have occurred, steady progress is being made in reducing case completion. Ms. Harding also gave an update on DSS' establishment of industrial security roles that includes annual assessments at all large contractors. Assessments at smaller contracts are planned to occur at least once every 18 months. Steve Lewis, Staff Director, Policy,

continued this discussion, giving an overview stating that within this fiscal year, DSS wants to start these assessments at every contractor facility that actually possess classified material and monitor the results on an annual basis to ensure that proper security procedures are enforced.

## 5. Oral Attestation for Cleared Personnel

Richard Williams informed the NISPPAC group of the Deputy Secretary of Defense's interest in the special access program oversight community, especially in the security area. The Deputy Secretary of Defense wants to know how people are receiving updated briefings and what security training is being given to them. Because of this interest, the Deputy Secretary sent a memo to various DOD offices that stresses the importance of the commitment made by individuals granted access to security information. The memo stated that military and civilian employees granted Top Secret clearance or access to specially-controlled access category or compartment must make an oral attestation that he/she will conform to the conditions and responsibilities imposed by law or regulation on persons granted clearance or access.

Although the original letter only applied to Government and military personnel, the Deputy Secretary wants attestation be applied to industrial groups also. The NISPPAC Chair encouraged both Government and industry personnel who have concerns or support for the program weigh in on their particular issue.

## 6. Collecting Cost Data from Industry

Under statutory and executive order, the NISP program is obligated to collect data on cost of the Security Classification Program.

Rosalind Baybutt, Department of Defense, briefed the attendees on the collection of cost data. When the subject of collecting cost data was first mentioned, industry was very concerned with Government directly collecting data. It was decided that industry would perform this task for Government. Shirley Krieger took on the role of collecting this data. 120 companies were asked at random, to submit this data and only 56 companies responded. A letter from the Department of Defense was sent to 80 companies randomly, to see if a larger number of responses would be received without the usual protest. At the time of the NISPPAC meeting, 34 responses had been received with more submissions expected. Since Ms. Kriegers' term expires this year and it appears that companies are willing to submit the data to DOD, it was proposed that DOD begin collecting the data on an annual basis.

Steven Garfinkel concluded this discussion stating that a follow up would be done and that industry members would be notified requesting contrary views to the proposal of DOD collecting this data.

## 7. Status of SPB Initiatives

Dan Jacobs informed the NISPPAC attendees that the factual (?) consent form have been sent to the National Security Council for White House approval. This consent

form was designed for each agency or department employee granted access to classified information, or executes in cases such as cases where the concern is espionage or checks being done without mutual consent or knowledge. The requirements document is also being sent to the White House after preparation, with the recommendation that the National Security Advisor issue it or that the standard practice within Government for these requirements requested trends (?).

The polygraph memorandum agreement has been signed by every agency except one, and that one does not effect industry personnel. Therefore industry personnel are now subject to the polygraph under the terms of the now Government-wide polygraphing memorandum agreement.8

Stress tests in regards to the Extranet for Security Professionals have been performed and now have to go through the disascertification (?) process. SPB's goal is to use ESP as a pipeline to two clearance databases so the disascertification process will no longer be needed.

## 8. Status of Secrecy Legislation: Implementation of E.O. 12958

The Chair informed the NISPPAC meeting attendees of Senator Moynihan's retirement at the end of this congressional term. Senator Moynihan has re-introduced his legislation to provide a legislative framework for the security classification system. There are a number of disconnects between what his bill would provide and what the administration is willing to support. The legislation has been sent to several different

committees, which usually is an indication of doom, however, that isn't necessarily true with this legislation because of Senator Moynihan's reputation and standing. However, chances are that this legislation will not be passed in 1999.

A recommendation has been sent to the National Security Council that E.O. 12958 be amended to increase the window before the automated declassification provision of that executive order takes place. It appears that the longest extension considered would be three years

Since E.O. 12958 came into existence, the executive branch has declassified over 600 million pages of permanently valuable historical records. Given the fact that the executive branch has declassified 850 million documents since 1980. More than 600 million documents declassified within the last three years, therefore demonstrating the impact of the Executive Order.

There are increases in this year's proposed appropriations bills. One of these proposals is in the area of declassification and one proposes an increase for the Information Security Oversight Office. If these proposals are passed, the Chair expressed his anticipation of being in a position to do more in the NISP area. It has been decided that there will not be another NISP inspection during this fiscal year in order for agencies to respond to the recommendations of this last report. Another inspection of the NISP program may take place in FY 2000.

## 9. Next NISPPAC Meeting/Adjournment

The Chair informed the members that usually the September NISPPAC meetings are normally associated with the American Society for Industrial Security (ASIS) National conference. This year the ASIS National is being held in Las Vegas, NV, which poses the question about the ability of certain Government personnel being able to attend. The Chair will do a survey with both Government and industry members on a good date, time and place to have the September meeting. The meeting adjourned at approximately 12:15 p.m.

## NISPPACT ATTENDEES: REPRESENTATIVES

**Wednesday, April 7, 1999**

| Name of Representative | Organization |
|---|---|
| Edward Halibozek | Industry |
| Raymond Kang | Industry |
| Bernard Lamoureau | Industry |
| Susan Mitchell | Industry |
| Frank K. Martin | Industry |
| Carol A. Thomas | Industry |
| Gregory A. Gwash | Industry |
| Gene Boesch | Air Force |
| Katherine A. Weick | Army |
| Charlie Phalen | Central Intelligence Agency |
| Rene Davis-Harding | Defense Security Service |
| Richard F. Williams | Department of Defense |
| Rosalind Baybutt | Department of Defense |
| Ed McCallum | Department of Energy |
| Bernard Gattozi | Department of Justice |
| Andrea Jones | Department of State |
| Mark Borsi | NASA |

| Name of Representative | Organization |
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| Stephen Saal | National Security Agency |
| Michael Brown | Department of the Navy |
| Wayne Burnside | Nuclear Regulatory Commission |
| Dan Jacobson | Security Policy Board |