

**NATIONAL INDUSTRIAL SECURITY PROGRAM
POLICY ADVISORY COMMITTEE
MINUTES OF THE MEETING
OCTOBER 20, 1994**

The National Industrial Security Program Policy Advisory Committee (NISPPAC) held its fourth meeting on October 20, 1994, at 10:00 a.m., at the Information Security Oversight Office (ISOO), 750 17th Street, NW, Suite 530, Washington, DC. The meeting was open to the public.

The Chairman, Steven Garfinkel, was called away to a meeting at the White House. In his absence, Ethel R. Theis, Associate Director, ISOO, Chaired the meeting.

1. **Approval of minutes of previous meeting.** The meeting opened with a greeting and introductions from the Chair. The first item of business was the adoption of the NISPPAC Minutes of the June 7, 1994, meeting. A motion was made and seconded to approve the minutes as submitted. The motion carried.
2. **Amendment to the NISPPAC bylaws.** The Chair presented for Committee action a proposal to amend the bylaws to increase the NISPPAC membership by two, one representative from government and one from a small business concern. After discussing the proposal, the members unanimously voted to approve the amendment, thus bringing the total NISPPAC members to 22. The Chair welcomed the new members, Mark R. J. Borsi, Director, Security Management Office, National Aeronautics and Space Administration, and Richard P. Grau, Security Manager, Rincon Research Corporation. (Tucson, Arizona). The Chair will provide NISPPAC members with a copy of the amended bylaws.
3. **Transfer of ISOO to the Office of Management and Budget.** The Chair reported that as of October 1, 1994, ISOO had been transferred from the General Services Administration to the Office of Management and Budget. ISOO will continue to be physically located at 750 17th Street. Its telephone number will change, however. Once this change takes place, ISOO will notify agency and industry contacts of the new numbers.
4. **Status of the draft executive order.** The Chair reported that there were still a couple of relatively minor items under discussion. Resolution of most of the controversial issues suggested that the review process may be near completion.

5. **Presidential Decision Directive 29 (PDD 29).** Raymond J. Mislock, Jr., Senior Director for Counterintelligence, National Security Council, presented an informative overview of PDD 29, issued in September 1994. The Directive was the result of an effort to: (1) streamline the system of interagency committees and working groups involved in reviewing and advising on issues across the range of the security disciplines (e.g., personnel security, computer security, etc.); and (2) provide a centralized interagency structure for coordinating and advising on such issues. The two most important institutions established by PDD 29 are the Security Policy Board and the Security Policy Forum. The Board is co-Chaired by the Director of the Central Intelligence Agency and the Secretary of Defense. Mr. Mislock provided each NISPPAC member with a copy of a "Fact Sheet" giving more detailed information on the functions and responsibilities of the newly created security structure.

6. **Status of the National Industrial Security Program Operating Manual (NISPPOM) and the NISPPOM Supplement for Special Access Programs.** John T. Elliff, Office of the Secretary of Defense, reported that the Security Policy Board endorsed the NISPPOM at its first meeting on September 27, 1994. On October 3, 1994, John Deutch, Deputy Secretary of Defense, signed the NISPPOM. The NISPPOM, which implements operational aspects of Executive Order 12829, "National Industrial Security Program," replaces the Department of Defense Industrial Security Manual for Safeguarding Classified Information. At the time of the meeting, the Manual was undergoing review by a team of professional editors. Dr. Elliff stated that as soon as the editing and the subsequent printing of the NISPPOM are complete, the Department plans to distribute the Manual to affected agencies and contractors.

Richard F. Williams, Director, Special Programs, Office of the Secretary of Defense, reported that the Supplement for Special Access Programs had undergone revisions to conform with the "base" NISPPOM. He added that an additional 30 days would be needed to give agencies and industry time for a final review and comments. Mr. Williams introduced a resolution which specified that ". . . the Supplement should be submitted for final approval no later than December 15, 1994." A discussion of the resolution followed. A main issue of contention was the lack of specificity of the language concerning issuance of the Supplement. The NISPPAC members decided to approve the resolution provided the last paragraph was amended to read as follows: "PROVIDED THAT the Supplement should be published no later than January 30, 1995." A motion was made and seconded to approve the Resolution as modified by the NISPPAC. The motion carried.

7. **Providing Threat Data to Industry.** The Chair and the membership welcomed Michael Waguespack, Director of the National Counterintelligence Center. He gave an instructive briefing on the recently established National Counterintelligence Center, of which he was designated director. The Center, established by Presidential Decision Directive 24, is responsible for bringing coherence and consistency to the Government's counterintelligence programs, including providing improved integration with the private sector in developing threat assessments for industry use. The Center has two branches. Responsibilities of the Center include: (1) serving as a clearinghouse for providing industry with threat data and assessments; and (2) sponsoring threat conferences for industry executives and senior management. Mr. Waguespack indicated that the Center was preparing a study analyzing foreign threats to American economic interests. He noted that it would be difficult to produce an unclassified version of the study, but that the Center would attempt it so that the study could be widely disseminated within industry. In concluding the briefing, Mr. Waguespack invited comments and suggestions on threat issues of concern to industry.

8. **Open Forum.**

(a) The NISPPAC members asked the Chair that the agenda for the next meeting include a status report on developments concerning NISP training.

(b) A brief discussion followed on the issue of continued industry involvement in decision making on industrial security. A Committee member noted that one of the benefits of the close cooperation between government and industry in the development of the NISP is that the Defense Investigative Service has been moving towards a more cooperative and collegial interface with industry. Still, some of the industry members expressed concern that the discontinuation of the NISP Steering Committee may result in a diminished role for industry in governmental decision making on industrial security. Industry members indicated that this development would make it necessary for industry to find other fora in which to raise procedural or policy issues of interest to both industry and government. It was noted that the entities with representation of non-government individuals provided by PDD 29 and the draft order might offer an opportunity for industry involvement. The discussion concluded with a request to the Chair that the minutes of the meeting reflect industry's concern in this area. There being no objections, the Chair agreed.

9. There being no other business, the meeting adjourned.

ATTENDEES

Adams, Thomas J.	Lockheed Missiles and Space Company
Borsi, Mark R. J.	National Aeronautics and Space Admin.
Bragg, Helen	Department of the Army
Brown, June T. (Executive Secretary)	Information Security Oversight Office
Brown, Michael	Department of the Navy
Conrads, Ernest A.	Private Consultant for Industry
Davidson, William	Department of the Air Force
Dopp, Richard A.	Nuclear Regulatory Commission
Donnelly, Jack F.	Defense Investigative Service
Donner, Carol	General Research Corporation
Elliff, John T.	Office of the Secretary of Defense
Gattozzi, Bernard	Department of Justice
Grau, Richard P.	Rincon Research Corporation
Grimsland, Bob	Central Intelligence Agency
Jones, Andrea	Department of State
Jones, David	Department of Energy
Lavallee, William F.	Vought Aircraft Company
Mislock, Raymond, Jr.	National Security Council
Naper, Paul	National Security Agency
O'Neill, John P.	C.S. Draper Laboratory, Inc.
Theis, Ethel R.	Information Security Oversight Office

Van Houten, James H., II	Rockwell International Corporation
Volz, Harry A.	Aerospace Industries Association
Waguespack, Michael	National Counterintelligence Center
Williams, Richard F.	Office of the Secretary of Defense