

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

Thursday, September 17, 1998

The National Industrial Security Program Policy Advisory Committee (NISPPAC) held its twelfth meeting on September 17, 1998, at 1:00 p.m., at the Center for Community Cooperation, 2900 Live Oak Street, in Dallas, Texas. 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. The Chairman presented a letter from President Clinton to Marlyn Miller, outgoing industry member, thanking him for his outstanding service as an industry representative on the NISPPAC. The Chairman thanked Mr. Miller on behalf of the NISPPAC, and stated that he hoped that Mr. Miller would maintain an ongoing dialogue with the NISPPAC and its members.

The Chairman also announced that effective October 1, 1998, Gregory A. Gwash, who is well known to all in the NISPPAC, will serve as an industry representative.

After the announcements, the Chairman submitted the minutes of the March 24, 1998 meeting for approval. The members approved the minutes after agreeing to one correction.

## **2. Changes to NISPPAC Bylaws re: Industry Membership.**

The Chairman noted that he had transmitted a motion and ballot to amend the term of membership for industry representatives to all NISPPAC members in July 1998. The Chairman provided the members with a revised copy of the bylaws reflecting the results of that ballot, which had passed unanimously. ←

## **3. OSD/DSS Organizational Updates -- OSD and DSS Representative.**

Richard Williams, Director, Office of Security, Office of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD C3I), and Rene Davis-Harding, Deputy Director for Policy, Defense Security

Service (DSS) led the discussion regarding organizational changes within their individual programs.

**A. OSD Update.**

Mr. Williams informed the committee members of substantial changes that have been accomplished within the Department of Defense Security program since the last NISPPAC meeting. Some of these changes include the development of a new security environment involving its automated systems, computer off-the-shelf software (COTS) conversion, increased outsourcing, and coming up with a need-to-know regime that accommodates DSS' coalition partners. He stated that the reorganization of C3I, which consolidates special access programs (SAPs), sensitive compartmented information (SCI), and collateral security within C3I, signifies DOD's continued strides toward achieving uniformity and consistency under the NISP.

**B. DSS Update.**

Rene Davis-Harding, DSS, reported on the organizational changes in relation to reporting channels. Organizations that once reported directly to the Deputy Secretary of Defense now report to Mr. Arthur Money, the Senior Civilian Official of ASD C3I.

Mrs. Davis-Harding informed the group that DSS has an industrial security study under way, which will determine how to charge a fee-for-services when conducting personnel security investigations. The fee-for-services test begins October 1, 1998.

DSS has made significant progress by shortening the time it takes to process personnel security investigations. DSS' backlog in January 1998 totaled about 70,000 investigations pending. Presently that number is about 30,000. DSS' goal is to lower that number significantly.

OSD and DSS are conducting a one-year study to develop procedures on how the revamped training office should run in regard to personnel, staff skills needed, and services that will be offered, especially in the area of distance training.

Ms. Davis-Harding stated that DSS has met its FY '98 training commitments. She also announced that the FY '99 training schedule has been established.

#### **4. Reorganization of the CIA Office of Security**

The Chair asked Alan Wade, Director, Center for Security within CIA, to speak on the recently formed organization within the Central Intelligence Agency. The organization was put in place on May 4, 1998, with two main goals: (1) reunite the security disciplines within the agency, which, for a variety of historical reasons, had been fragmented in recent years; and (2) re-invigorate the security profession within CIA to establish a more coherent and integrated security program and policies.

#### **5. NISPOM Issues.**

Richard Williams informed the committee that the NISPOM/Chapter 8 remains a very controversial and difficult matter. He added that the recent issuance of the DOD NISPOM Supplement Overprint and Change 3 hopefully will resolve a number of drawn-out problems with identification and access reciprocity of compartmented SAPS within the Executive branch and adaptability issues with Chapter 8, *Information Systems Security*.

He stated he was confident that revisions of Chapters 8 and 10 could be accomplished without the creation of a new interagency organization devoted to

NISPOM matters. However, if things again didn't work out, he was prepared to raise the issue to those levels within the DOD that would be better able to secure interagency cooperation.

Mr. Williams then addressed the use of the X07 locks. To date, \$75 million has been spent within the Department of Defense. Although there is no legislation in place, Congress would like to make it mandatory that every contractor use these locks. The Office of Acquisition and Technology has been requested to conduct a study of this issue. C3I will work with the Acquisition and Technology Office to decide the best way to address this issue.

#### **5. NISP Report.**

Rudolph Waddy, ISOO Senior Program Analyst, updated the group on the NISP survey. Approximately 18 contractors were interviewed in the San Francisco, Albuquerque, and Washington, DC area during the period of December 1997 through March 1998. After the contractors had the opportunity to respond to the survey, the ISOO team analyzed these responses and gave the Cognizant Security Agencies (CSAs) a chance to respond to some of the concerns and questions raised by the contractors.

The main objectives in performing this survey were to determine how the NISP is achieving uniformity in security procedures, how well reciprocity is achieved with regards to personnel and facility clearances and agency inspections of contractor programs, and what steps are being taken in order to reduce cost.

The NISP report is scheduled for release in October 1998.

#### **6. Status of SPB Initiatives.**

Dan Jacobson stated that the Special Access Program Security Standards Working Group has been a model of energy and efficiency over the past year in solving problems. Due to the hard work of all persons involved and marathon meetings, significant progress is being made. However, more time will be needed to complete its objectives.

The Central Intelligence Agency and the National Security Agency have unanimously agreed to engage in a three year test to assess the ability of assisting an overall screening in the process of re-investigation. The logic of these two agencies participating in such a test is due to their similarity in their vetting process.

After three years, a national policy on polygraphs is in place. The policy is being implemented by each of the individual polygraph employing agencies, and hopes are to have everything completed by October 1998.

The drafting of a Memorandum of Understanding (MOU) is in process which will, in the future, establish the Government-wide adoption of a common badge format enabling the compatibility of badge communication within different systems. The General Services Administration and the Department of Defense have agreed that the group that steers this action will set the standards for the system.

The Joint Security Commission will be reconvening under the chairmanship of General Larry Welch. It will take a two phase approach. The first phase is to perform a status update to respond to such questions as: Were the correct recommendations accepted? Were the right priorities pursued, and is the processing structure in order to work efficiently and effectively? Phase II will probably require a reconfiguration of the Commission to a degree. This phase will concentrate on exactly how to protect that which is important to the future, recognizing the challenges of the Internet and information systems security.

## **7. Status of Secrecy Legislation - Implementation of E.O. 12958.**

The Chairman discussed two pieces of legislation. One of these bills represents the incarnation of the Moynihan Commission (Government Secrecy Commission) recommendation to create a statutory framework for security classification. This bill includes a number of issues that the Executive branch opposed, one of which is the creation of a National Declassification Center. The other legislation is contained within the reauthorization bill for the Department of Defense. This bill is before a conference committee of the House and the Senate. A Senate provision states under E.O. 12958, no further declassification shall take place without a page-by-page review of the documents to determine whether they contain restricted data or formally restricted data. The executive branch has made clear the extent of its opposition to this requirement and its potential impact on the declassification program that is currently underway in E.O. 12958. There has not been a formal re-vote to change that provision. However, a substitute provision is possible, calling for a 90-day study, conducted by NARA/ISOO and the Department of Energy, in conjunction with the affected agencies, to come up with a plan to deal with the problem of the inadvertent disclosure of RD and FRD within these files.

## **8. Open Discussion regarding the Future of the Extranet for Security Professionals (ESP).**

The Chairman informed the attendees that at a previous joint Government/Industry meeting, it was expressed that the NISPPAC is not responsible for resolving the issue regarding the future of the ~~Extranet for~~ <sup>(ESP)</sup> ~~Security Professionals~~. This is an issue outside of the NISPPAC's jurisdiction. However, both Government and industry components have a real interest in the prospects for the program. The Chairman then turned the floor over to Jim Passarelli of the SPB.

In addressing the future of the Extranet, an initiative started in 1996 at DARPA, Mr. Passarelli discussed the development, operations, and maturation of the ESP. He informed the group on some of the services that the ESP might ultimately provide, such as threat advisory for travelers, security training, visit clearance on-line between Government agencies, and in the contractor world, equipment purchase assistance and many other possibilities.

Government and industry need to determine the future of the Extranet by deciding exactly what is wanted and how will it be funded. This information should be passed on to the Security Policy Board.

**9. Next NISPPAC Meeting.** — *Shade*

The next NISPPAC meeting was tentatively scheduled for late February or early March 1999.

**10. Adjournment.**

The Chairman adjourned the meeting at approximately 3:00 p.m.

## NISPPAC ATTENDEES: REPRESENTATIVES

Thursday, September 17, 1998

Edward P. Halibozek	Industry
Raymond Kang	Industry
Shirley Krieger	Industry
Frank K. Martin	Industry
Susan Mitchell	Industry
George Pennell	Industry
Carol Thomas	Industry
William Davidson	Air Force
Katherine H. Weick	Army
Alan Wade	Central Intelligence Agency
Rene Davis-Harding	Defense Security Service
Richard F. Williams	Department of Defense
Mary Jack	Department of Energy
Charles Alumna	Department of Justice
Andrea Jones	Department of State
Stephen Sail	National Security Agency
Barbara Gobble	Navy

Richard Doop

Nuclear Regulatory Commission

Dan L. Jacobson

Security Policy Board