

Event Producer: Welcome and thank you for joining today's National Industrial Security Program Policy Advisory Committee meeting, also known as the NISPPAC. To receive all pertinent information about upcoming NISPPAC meetings, please subscribe to the Information Security Oversight Offices overview blog at <https://isoo-overview.blogs.archives.gov>, or by going to the Federal Register. All available meeting materials, including today's agenda slides and biographies for NISPPAC members and speakers, have been posted to the ISOO website at <https://www.archives.gov/isoo/oversight-groups/NISPPAC/committee.html> and have also been emailed to all registrants. Please note, not all NISPPAC members and speakers have biographies or slides. It is preferred that you connect through your computer to listen to today's conference. However, you can call in as a secondary option. If you require technical assistance, please send a private chat message to the event producer.

Please note all audio connections will be muted for the duration of the meeting with the exception of NISPPAC members, speakers, and ISOO. We are expecting a fairly large audience today. Because of this, we will not be taking questions from the public over the phone. Please email your questions and comments to NISPPAC@nara.gov, and someone will answer your questions there. Only ISOO and NISPPAC members will be authorized to ask questions throughout the meeting. This is a public meeting. Like previous NISPPAC meetings, this will be recorded. This recording along with the transcript and minutes will be available within 90 days of the NISPPAC reports on committee activities webpage mentioned earlier. Let me now turn things over to Mr. Mark Bradley, the Director of ISOO, as well as the Chairman of NISPPAC.

Mark Bradley: Thank you so much, Mr. Producer, for your kind introduction. Good morning, everybody. Welcome to the 70th meeting of the NISPPAC. This is the seventh NISPPAC meeting that's being conducted a hundred percent virtually. We're planning on a five-minute break in the middle of the meeting, which I will flag as you move closer. We have the meeting scheduled for three hours, but I expect and hope it'll be finished well before that, then you can have some of your morning back. I'm now going to turn it over to Ms. Heather Harris, the designated federal officer for the NISPPAC, for some administrative actions. Heather, the floor is yours.

Heather Harris: Thank you, Mr. Chairman. I will now begin attendance for the government members. I will state the name of the agency, then the agency member will reply by identifying themselves. Once I have gone through the government members, I will then move over to the industry members. After the industry members, I will then proceed to the speakers. ODNI.

Valerie Kerben: Good morning, Heather. Valerie Kerben, primary member.

Heather H.: Thank you. DoD.

Jeff Spinnanger: Good morning, Heather. This is Jeff Spinnanger.

Heather H.: Thank you. DOE.

Natasha Sumter: Good morning, Heather. This is Natasha Sumter. I am an alternate member.

Heather H.: Thank you. DHS.

Rich Dejausserand: Good morning, Heather. This is Rich Dejauserrand. I'm the alternate.

Heather H.: Thank you. DCSA.

Keith Minard: Keith Minard.

Heather H.: CIA.

Don: Good morning, Heather. This is Don, primary member for CIA.

Heather H.: Thank you. Commerce.

Steve Barbieri: Morning, Heather. This is Steve Barbieri. I'm the primary for Commerce.

Heather H.: Thank you. DOJ.

Christine Gunning: Good morning, Heather. This is Christine Gunning, primary member.

Heather H.: Thank you. NASA.

Vaughn Simon: Good morning, this is Vaughn Simon, primary member.

Heather H.: Thank you. State.

Kim Baugher: Good morning. It's Kim Baugher, primary member.

Heather H.: Thank you. Air Force.

Anne Backhus: Good morning, Annie Backhus, Department of the Air Force Alternate.

Heather H.: Thank you. Navy.

Steve James: Good morning, Steve James, primary member.

Heather H.: Thank you. Now I'm going to turn to the industry members. Heather Sims.

Heather Sims: Heather Sims, Industry NISPPAC.

Heather H.: Derek Jones.

Derek: Good morning. Derek Jones, industry NISPPAC.

Heather H.: Tracy Durkin.

Tracy: Morning, Tracy Durkin, Industry NISPPAC.

Heather H.: Greg Sadler.

Greg: Good morning, Greg Sadler, Industry NISPPAC.

Heather H.: Dave Tender.

Dave: Good morning. Dave Tender, industry NISPPAC.

Heather H.: Ike Rivers.

Ike: Good morning. Ike Rivers, industry NISPPAC.

Heather H.: Jane Dinkel.

Jane: Good morning. Jane Dinkel, industry NISPPAC.

Heather H.: Thank you all. Now, I'll do a roll call for the speakers. Dave Scott.

Dave: Yes, I'm here. Thank you.

Heather H.: Thank you. Mike Ray.

Mike: Yes, good morning. I'm here.

Heather H.: All right, great. NRC and Army will not be present for the call, so if there are questions for them, please send an email to NISPPAC@nara.gov and we can forward it to them. If anyone else is speaking during the NISPPAC that we have not heard from, or we don't know about, please speak now. Thank you.

We request that everyone identify themselves by naming the agency if applicable before speaking each time for the record. I wanted to provide everyone with our agency's COVID update. Most of the ISOO staff is still teleworking. We do not currently have restrictions on in-person meetings for NARA staff in all NARA buildings. However, for large public meetings such as this, we are staying virtual. Hopefully, in a year, we will be back to in-person NISPPAC meetings at the National Archives in Washington, D.C. I want to remind the government membership of the requirement to annually file a financial disclosure report with the National Archives and Records Administration, Office of General Counsel. Before a government member may serve on the NISPPAC and annually thereafter, this must be done. The same form for financial disclosure that is used throughout the federal government, OGE form 450 satisfies the reporting requirement. If there are questions, please reach out to me.

Additionally, we have had a few changes to the NISPPAC membership. As discussed during the last meeting, our prior designated federal officer, Greg Pannoni, retired. I am acting for him at this time. We have also had a change at the Commerce Department. Richard Townsend has been replaced by Steve Barbieri. Our CIA primary is now Don replacing Felicia, and the NASA replacement for Kenneth Jones is Vaughn Simon. We would also like to welcome our two new industry members, Ike Rivers and Jane Dinkel who are replacing Rosie Borrero Jones and Cheryl Stone. For those departed members, thank you for all your contributions over the years. We look forward to continuing the work you have done with the new representatives. I also want to thank Mark Bradley, the director of ISOO and Chairman of the NISPPAC. This will be his last NISPPAC, as he is expecting to retire before the next public meeting in June 2023. Thank you for your lifetime of federal service, especially the last six years as the Director of ISOO. It has been an honor to work for you. We wish you well and look forward to continuing the work you have done.

I will now address the items of interest from the April 27th, 2022, NISPPAC public meeting. The NISPPAC minutes from the last meeting were certified to be true and correct, and were finalized by me on August 8th, 2022, and were posted to the ISOO website on August 9th, 2022. The first item of interest is that during the last NISPPAC meeting, DOD had requested the NISPPAC meet three times a year vice two. During this meeting, the chair will seek an advisory opinion from the full committee on whether it would be useful for the fiscal year 2023 to hold three NISPPAC meetings, or whether we should continue to hold two.

Since the last NISPPAC meeting, we also continue to work on the ISOO notice discussing the small business administration regulation combining their mentor-protége programs issued in the fall of 2020. The SBA rule appears to eliminate the requirement for a joint venture, to have an entity eligibility determination or EED, also known as a facility clearance or FCL. In all cases, if the entity making up the joint venture already have EEDs themselves. However, this interpretation of the regulation's language is not what the regulation intends and would contradict NISP requirements. In coordination with SBA, we will be issuing an ISOO notice to clarify the joint venture EED requirements.

Additionally, we continue to have discussions for NISP entity cost collection with the cognizant security agencies and offices also known as CSAs and CSOs. This collection is required by executive order. The cost that will be collected will include information on missed implementation costs incurred by entities under their security cognizance. The next meeting is November 30th, where all NISPPAC members will be in attendance to discuss the way ahead. Once finalized, we will advise the NISPPAC Chair on the way forward for collecting these data cost elements for industry's implementation of the NISP. The final item of interest is that industry was going to start meeting with DCSA about the concerns about how long it takes a company to get cleared, but those meetings have not yet been set up. Additionally, ISOO has three job announcements that have closed, one for a senior program analyst and two CUI program analysts.

We hope to have them both on board before the next NISPPAC. Do any NISPPAC members have any questions? All right. Thank you. Mr. Chairman, I will turn it over to you.

Mark B.: Thank you, Heather. As Heather mentioned at the last meeting, we discussed changing the number of public NISPPAC meetings a year, from two to three. As a reminder, I'm seeking only an advisory opinion this time. I'll weigh all considerations before deciding exactly what course to follow. But in the meantime, what I'm going to do is, I'm going to say the name of the agency, and then please respond with your name and whether you want two or three NISPPAC meetings a year. Then I will ask industry members to vote in the same manner.

ODNI.

Valerie Kerben: Two for ODNI.

Mark B.: Two. Okay. Thank you, Valerie. DOD.

Jeff: This is Jeff Spinnanger. Three for DOD.

Mark B.: Okay. DOE.

Natasha: Good morning. This is Natasha Sumter, and we would prefer two for DOE.

Mark B.: Okay. Thank you. NRC. Heather, you're going to circle back with them, right?

Heather H.: Yes, sir.

Mark B.: Okay. DHS.

Rich: This is Richard DeJausserand, we vote for two.

Mark B.: Okay. Thank you, Rich. DCSA.

Keith: Keith Minard, three.

Mark B.: Okay. CIA.

Don: Good morning, Mark. It's been a long time. We're going to vote for two.

Mark B.: Okay. Sure. Department of Commerce.

Steve Barbieri: We're going to vote for three.

Mark B.: Okay. Department of Justice.

Christine: This is Christine Gunning, two for DOJ.

Mark B.: All right. Thank you, Christine. NASA.

Vaughn: This is Vaughn Simon from NASA. Two for NASA.

Mark B.: Okay. Heather, you'll circle back with NSA. State Department.

Kim Baugher: Three for State Department. Thanks.

Mark B.: Three for State, sure. Air Force.

Anne Backhus: Three for Air Force. Thank you.

Mark B.: Three. You're welcome. Department of Navy.

Steve: This is Steve James. Three for the Navy.

Mark B.: Okay. Department of the Army. Heather, you're going to circle back with them too, right?

Heather H.: Yes, sir.

Mark B.: Okay, Got it. All right. Now I'm going to turn to the industry members. Heather Sims.

Heather Sims: Heather Sims, Industry NISPPAC. I vote for two with the caveat that we revitalized the working groups to make them more impactful.

Mark B.: Okay. Got that. Noted. All right. Did Aprille Abbott ever join us or not? All right. Don't hear-

Robert Tringali: Mark, I just heard from her. She has a meeting right now that's overlapping, but she's going to try and call in very soon.

Mark B.: All right. Heather, if you could record her vote at some point.

Heather H.: Yes, sir.

Mark B.: Derek Jones.

Derek Jones: Derek Jones, three.

Mark B.: All right. Tracy Durkin.

Tracy Durkin: Tracy Durkin, three.

Mark B.: Okay. Greg Sadler.

Greg Sadler: Two with the caveat of enforced or improved function of the working groups.

Mark B.: Okay. Noted. Dave Tender.

Dave Tender: Two. With the same caveat that Heather and Greg just brought up.

Mark B.: All right. Noted. Ike Rivers.

Ike Rivers: Two, same caveat, please.

Mark B.: Okay, sure. Noted. Jane Dinkel.

Jane Dinkel: I vote for two, with the same caveat regarding the working groups.

Mark B.: All right. All right. Thank you very much. Heather, I've written them all down, do you want to tally the vote just as it stands for now?

Heather H.: Yes, sir. During the meeting right now?

Mark B.: Yeah.

Heather Harris: Okay. ODNI-

Mark B.: tally for now.

Heather H.: Yes, sir.

Mark B.: The total. How many for two? How many for three?

Heather H.: 12 for two.

Mark B.: Okay.

Heather H.: And eight for three.

Mark B.: Okay. Which at least a handful are still waiting to vote. All right, so anyway, we will take this back and have a look at it once we get the full tally. Thank you very much for doing that, you all. At this time, we'll now introduce our speakers for updates. Ms. Heather Sims, a NISPPAC industry spokesperson will provide the industry update. Heather, the floor is yours.

Heather Sims: Thank you. NISPPAC Industry. Good morning, everybody, and it's my pleasure to provide another industry update as the NISPPAC industry spokesperson. For me, it's hard to believe that I'm entering my fourth year on the NISPPAC and as the spokesperson. And we've only had the opportunity to have two public meetings

in person, so I look forward to meeting in person again. I'd like to take the opportunity to, once again, thank the outgoing industry NISPPAC members, Rosie Borrero and Cheryl Stone for their dedicated efforts on the NISPPAC over the last four years. Also, I'd like to welcome Isaiah Ike Rivers and Jane Dinkel. I look forward to working with you in industry NISPPAC team this coming year.

Since our last meeting, Mr. Greg Pannoni, as Heather mentioned, retired from ISOO. I would personally like to take the time to thank Greg for his partnership with industry and his commitment to the NISPPAC, always ensuring Industry had a seat at the table and a voice in the conversation. Industry wishes Greg well in his future endeavors.

This update will be a little bit different, in the fact that instead of utilizing my entire time talking about open and unresolved items of interest with our government counterparts, I feel it more important to provide an overview of the role of the industry on NISPPAC, and how the industry memorandum of understanding further referred to as MOU Associations assist Industry NISPPAC in capturing and resolving issues for all of Industry. Industry is sometimes challenged by allowing ourselves to be divided, sometimes at the hands of our government partners, sometimes by a misunderstanding, and sometimes by a lack of understanding that industry is much larger than our own companies and our own self-interests. What may have been a priority for one company that is discussed with our government counterparts, may not be an issue for another company and vice versa.

In the past three years, I will stand strong on my commitment that a united industry is much stronger than a divided industry base.

A strong industry base can better support national security by working as a united group to assist our government on the impacts of emerging and existing policies that may have an impact on industry and help resolve to further the safety and security of our country. Recently, there has been a mention of an effort or intent to create a new industry representation group, either through the creation of a new policy advisory committee or through a formal group independently meeting with cognizant security agencies, legislators, and/or government regulators for the purpose of speaking for the whole of industry, often driving the voice of industry to their association or certain members of industry lobbying on behalf of their own self-interest and benefit. With that in mind, I thought it prudent to provide a reminder as to why industry was created and how industry plays a vital role in national security.

The NISPPAC was created on January 8th, 1993, by executive order 12829. The NISPPAC was and is still comprised of 16 government and eight industry members. The current industry members are Aprille Abbot, Tracy Durkin, Greg Sandler, Dave Tender, Jane Dinkel, Ike Rivers, and myself. Each serving a total of four years, all the while still working the full-time positions at their current employ. We often forget the time and commitment on board to allow each of the industry NISPPAC members to commit to helping with the collective cleared

industry concerns. Therefore, we want to thank the employers for allowing industry members to represent industry on the NISPPAC. There's also a little mystery around how industry members are nominated and selected, so I'd like to offer some insight. Every year, current industry NISPPAC members and current MOU members nominate potential industry NISPPAC members for the two upcoming vacancies.

Voting is held by the same industry NISPPAC and MOU members, where each cast two votes. In the end, the top two votes are elected into NISPPAC. We do our best to remind all voting members and nominated members that the role of NISPPAC is to represent all national justice security program companies, and not their own self-interest, the company's interest, or specific government agency interest. This is taken into consideration when votes are cast. Who is a trusted person who can best represent all of industry liaison with the five CSAs and work well among all the industry to collect input. It's a selfless four years. Those that are chosen, serve, and put in their tireless efforts, should be focused on making sure all of industry has a voice and not fighting amongst ourselves, or putting ourselves above the interest of all of industry, which can have a long-lasting negative effect on how industry is viewed by our government counterparts.

While we try and have everyone in industry involved, it simply isn't possible for all cleared industries to participate in the NISPPAC. However, there are several NISPPAC working group opportunities that industry members can be involved in covering a variety of missed topics. During these working groups, we tend to work with our government partners to resolve a variety of issues affecting industry. Industry NISPPAC continues reviewing industry working group members to ensure we have a diversity of industry representation based on company-side complexity and skill level, ensuring the same company and the same person isn't on every single working group, which sometimes is the case. Therefore, you have the same people for years driving the discussion and focus on for industry without consideration to the other 10,000 plus companies in the NISP. Industry NISPPAC simply cannot operate independently without excluding critical input from the support of our MOU industry association.

While industry is officially recognized through the NISPPAC membership, individual representations from the MOU group support the NISPPAC in several ways. Including participation in the working group and making recommendations to the NISPPAC on proposed and revised national security policy at the request of the Industry NISPPAC spokesperson person. The MOU group supports the industry, the NISPPAC Industry spokesperson, and NISPPAC matters and initiatives. As with NISPPAC Industry representation, MOU groups representatives agree that they will not act as representatives for their specific company, instead, they represent the constituency of the respective organization or association. And by extension, all private sector members of the National Industrial Security Program. Nothing in the MOU agreement, however, prohibits or prevents each individual association or organization from adopting its own position or a particular issue, or from abstaining from the vote or

proposal thought to be contradicted to the wish of its membership. There are currently nine MOU Industry Associations supporting the industry NISPPAC with the additional organization working through the formal process to be added.

Current MOU includes the following, Aerospace Industries Association, ASIS Defense Encounter Intelligence Council, Contractor Special Security Working Group, federally funded research and development centers, university-affiliated research centers, Intelligence and National Security Alliance, Industry Security working group, National Classification Management Society, National Defense Industrial Association, and personal security council. Industry NISPPAC members cannot operate in a vacuum but also have to be cognizant of... We cannot tackle every and every concern., Therefore, we have to operate strategically and prioritize industry issues. There are a variety of needs that industry NISPPAC tries to capture industry input. While virtually impossible to know every single company in the cognizant of the five CSAs, we do our best to try and reach each. Fundamentally as a group, we seek industry synergy and work towards capturing a good understanding of what industry representation either through the NISPPAC or MOU was working on.

Industry NISPPAC meets monthly, actually more often as issues come up. And, monthly as a full group, with our MOU security points of contact. These are critical discussions to ascertain all the issues and narrow down what we can do as a group to prioritize and may lead to other efforts. Over the years industry, NISPPAC members have increased our presentations to a variety of industry events throughout the years and country. It's a great source of education for both industry and government members alike, to hear concerns from all levels, but also provide an overview of the NISPPAC and industry and indeed represent at the national level. This year, we have established a quarterly newsletter in efforts to try and reach those companies in the midst that are not members of industry associations, to let them know they are represented and do have a voice. So far, we have issued two newsletters and seek assistance from each of the five CSAs to share with their cleared population.

Another way we attempt to hear from the cleared industry is through email communication. A few years ago, industry NISPPAC created a dedicated email account where the cleared industry can contact eight industry NISPPAC representatives directly. Over the past three years, we have been able to assist and resolve a variety of issues directed and submitted to the correct point of contact and simply allowed us to watch for trending topics coming directly from industry members. While this next one does cause some controversy, industry NISPPAC does do some work with the chief security officers of the largest clear contractors. Currently by size in the totality of revenue from government sources. These CSOs have a unique knowledge and understanding of the impact that the NISP has on security operations. Their input is vital to the discussion as industry NISPPAC works with their government partners on emerging policy and oversight procedures.

While some would say that industry NISPPAC does not represent all of industry, and government should not listen to certain individuals, this negatively provides a view on industry that sometimes the loudest and most aggressive voices be heard at the definite to the other industry companies. If there are recommendations on how we can improve, please utilize one of the means I previously mentioned to bring your ideas forward, so we're all heard. I hope that this quick NISPPAC 101 overview was helpful. I would be remiss if I did not at least discuss the very purpose of holding the public NISPPAC meeting. And this is to discuss those very industry concerns that we have not sufficiently resolved through our formal NISPPAC working group. A continued thank you to PAC, PMO, ODNI, and OPM from industry NISPPAC, for reviewing trusted workforce 2.0, strategic documents, and ascertaining the impact on the industry prior to the release.

This has been a success, at the strategic level, but industry is still already experiencing issues with the implementation of all levels, with the enormous variances in the understanding and execution at each of the military services locations and government agencies. Industry looks to capturing examples where we're seeing impacts to industry and sharing with ODNI, PAC, PMO and OPM. It's often understood by both government and industry that industry NISPPAC members work with all five CSAs and not just DOD. Industry NISPPAC is committed to working more proactively with those CSAs over the next year, attempting to capture and bring issues to the point of contact for early resolution. Industry NISPPAC will also be committed to partnering at the right level. More than not, industry is forgetful that DOD is the CSA and DCSA is the CSO, working on behalf of DOD. Industry NISPPAC will be increasing their collaboration and conversations with the DOD representation on the NISPPAC.

With that said, industry appreciates the support of DOD and DCSA that they have offered to industry over this past year while we implement 32 CFR part 117. There are many areas of clarification, questions about implementations, and concerns for the many interpretations, the oversight agency we're making to industry's compliance with 32 CFR. DCSA specifically, Keith Minard, Matt Rhodes, Jason Steinour, and many others, quickly sprang into action and listened to industry and offered a variety of guidance and fact sheets, job aids, and training seminars. We appreciate the support and commitment to assist industry in understanding the changes. Industry would also like to thank, VROC for the support over the past six months in providing guidance and support as continuous vetting is maturing. An item that has been brought up by industry over the last two years at the public NISPPAC meetings and working group, has not been resolved with the timeliness of the new company to receive a facility clearance or upgrade for existing clear companies.

While DCSA has initiated a process to track timelines and process improvement, it's still an issue and more and more companies are requesting support from industry NISPPAC. This should be a concern for all of industry and government alike. This avoidance could and may impact industry's ability to deliver on the next critical military platform, ensuring America's military superiority. Industry

looks forward to discussing the larger issues and concerns with DOD in the next few weeks to get a real solution to improve its longstanding and growing concern.

DCSA heard industry's concern about the national background Investigation system and this. Industry appreciates the increased industry collaboration communication, where there are still many concerns such as operability, data integrity, and support for industry, once the system is online, we're appreciative of being heard and for-

Heather Sims: We are appreciative of being heard and for the opportunity for Industry NISPPAC working group members to work on improvement. Finally, an overwhelming thank you to industry for your efforts this past year and during COVID, for keeping up the watch for the most part, maintaining solid security programs while implementing a new 32 CFR Part 117, implementation of DSA oversight and rating process, rolling out Trusted Workforce 2.0 and C3 implementation. All these major changes, all at once, on top of shrinking budgets is a feat, no doubt. And you should be commended for your effort and commitment to do your part for national security. I would like to thank you for the time and open the remainder of my time for any questions, and comments. And then also to the other industry, NISPPAC members if there are any additional comments. Thank you.

Mark B.: Anyone have any questions for Heather? Any reaction? Well, thank you, Heather, especially for that lesson on history. It's important to be reminded about how all this came about and what it stands for. All right, now I'm going to turn to Mr. Jeff Spinnanger, Director for Critical Technology Protection for the Office of the Under Secretary of Defense for Intelligence and Security who will give an update on behalf of DOD as the NISP Executive Agent. Jeffrey, floor is yours.

Jeff Spinnanger: Thank you very much, Mark. Good morning, everyone. I'd like to begin and echo, I'm sure it'll be a bit of a theme today and that is, in expressing my thanks, Mark, to you. It came as a slight bit of a surprise to know that this would be your last NISPPAC. That's no small undertaking, your leadership during some interesting times, to say the least, has been steady and I think sometimes we don't really appreciate what that is until we don't have it. I know that I think I can speak on behalf of a lot of folks here that will say thank you for that. I imagine we'll have some more to say about you, whether you're on the call or you're not on the call, in the weeks and months ahead. But thank you for that.

I'd also like to say thank you to Heather who has stepped in. We find ourselves saying, "Greg who?" And that's a good thing, although it was nice to see him in a slightly different capacity last week. All that to say, that the work that ISOO undertakes to execute the responsibilities of the NISPPAC on behalf of all the CSAs and industry, an accumulated tally that puts us comfortably into the millions is no small thing. And it is also not without its remarkable importance, much of which Heather Sims outlined today and which I would like to echo. So,

thank you for that. And with that, it is good to be here again for what is the final meeting of the year.

We've got several topics to cover. We like taking advantage of the opportunity to be on the record here. Transparency and accountability are kind of recurrent themes because that's how we're able to get things done. So, coming to a common understanding, we can't always promise that we're going to get to a consensus, but we can at least get to a common understanding and I'm not aware of a better forum for that than the NISPPAC. So, with that, I'll jump in, in no particular order, want to provide a brief update on where we stand on Cloud Sandbox. We've talked about it in the last couple of public meetings. There's been a bevy of work in between those meetings and all of which really reinforces what is obvious, but I don't think can be overstated. The relevance of cybersecurity and within its framework, within the NISPPAC.

Safeguarding information in hands of industry and systems is again, obvious, and straightforward. The application of cloud solutions to meet those responsibilities and requirements, the first time out of the shoot, will be a bit of a pathfinder for us as we move forward. We're as close to that as we've been, thanks to outstanding leadership and initiative from DCSA and industry partners to help to create that path. We'll have some more to say about that, I'm very sure, at the upcoming this NISPPAC. But to kind of focus in on the continuing initiatives that my office is please to sponsor, we continue to leverage the Applied Research Laboratory for Intelligence and Security Wireless of New York, sponsored by our office, to establish and initiate what we call, affectionately, a class-like cloud sandbox, which is intended to be a mechanism for research framework so that we can explore both the potential and maybe the challenges that cloud represents for enterprise solutions that are consistent with NISPPAC expectations.

We've made, again, quite a bit of good headway there based on some smart researchers and again, that initiative and willingness to participate. I mentioned DCSA, I'd be remiss if I didn't also mention DISA who's also a partner in this, as we try to get it right. And we've been quite deliberate because there's right and fast. We want it right, and I think we're making tremendous headway there. The project itself is intended to be a pathway to move from what have been largely theoretical discussions, into real-world examples to understand the applicability of cloud services and solutions and what they represent to what are enduring and steady-state security requirements. Understanding what the policy says under places where there is need for interpretations that can be consistently defined and then therefore consistently applied and examined. And to explore those places where there may be gaps within policy.

I'm very pleased to report to this moment, it continues to be that we don't see policy impediments of any stripe within the framework of the CFR, either the NISPPAC CFR or the NISPPAC CFR. And that's quite important. I will say, without going into a lot of detail, because I would only, frankly, embarrass myself on the record, that there are complications on the acquisition side of things that we're

looking to resolve. We're having the right discussions with the right and powered officials in the department who manage DFAR rules that relate to how the cloud would be defined, or cloud requirements could be defined. And I will put myself on notice to hopefully have an update that's substantive next time we all get together.

So, we continue to welcome interest from the NISPPAC. This would maybe be one of those areas that integrated working groups would be keen to examine. And if working groups can involve field trips, we'd be happy to play host to a working group to take what are words to this moment and understand what a sandbox initiative looks like. I'm very sure that our program manager for ARLAS is not on the call right now, so I will absolutely and happily put her on the X to facilitate that, if the working group or NISPPAC, in general, has an interest in that.

So, we're really pleased to hear of a forthcoming working group meeting looking at NISP costs. Again, in testament to the measured approach that ISOO has taken, I think it's been smart to be prudent and quite deliberate. Understanding that we have a regulatory requirement to report, but again, getting it fast versus getting it right. Those of you who've been around a time or two know that the cost reporting in the past, last time it was really done in earnest, there was consensus among the group that there were some inaccuracies, and we want to be able to get it right. I think that's very important to inform decision-making. With all due deference to all the NISP CSAs out there, the Department's bite of that apple is a bit larger, in terms of volume, but most importantly in terms of cost. Making sure that we can accurately reflect what that looks like, it relates to that transparency and accuracy that we think is quite essential, given the state of things in the world as they are.

With that, however, we also want to make sure that it's deliberate and that in meeting the requirements accurately, that we do so with the appropriate measures of security so that we're not giving away information that would undermine the nature of the program. So just to lay out a few things that I hope the working group, when it meets, will take up in earnest, and that we can move forward on, certainly as we move into the current budget cycle. That would be something that would be well-timed for the NISPPAC to represent. Because I will say, the Department, we are moving forward with that right now that's responsive to several internal tasking that have been levied on us to be able to assist with senior department understanding of these issues and of security costs, generally, so that we can make smart investments to meet the Departments' needs.

I say that with again, acknowledgment to the other CSAs out there, noting that we're the largest piece of the pie, but to have a complete picture that would support the administration is something, again, that we would look to tuck in behind NISPPAC's and ISOO's leadership on this issue, to move forward. Again, it's almost as if Heather had stolen my notes, but very pleased for the update with respect to joint ventures. We think that's encouraging. It's absolutely

essential and frankly, the direction it appears that this is going, in terms of coming up with a common understanding between certainly, ISOO, NISPPAC, and the small business administration, seems like we're in the right direction. I noted that you mentioned an ISOO notice would be forthcoming. I don't want to put anybody on the X here, but if you can maybe put some fidelity to that so we could help to manage some expectations as to when, that would be helpful.

And then it would be equally instructive to know the extent to which or if it's possible that the small business administration would reciprocate, in whatever forum and communications that they put out so that there is level set understanding, that would be maybe to be anticipating of places where there could be disconnects where security issues and small business administrative issues may not completely align, even in those small mom and pop shops that we all like to contemplate.

And so, inside the Department, we have taken some initiative here to try to be able to resolve this in a consistent way across the expanse of the Department. And so, as was briefed in the last NISPPAC, for the first one this year, we proposed the memorandum regarding joint ventures and FCL requirements. We drafted what internal to the Department is referred to as a directive-type memorandum that will provide uniform guidance on joint ventures that have been awarded DoD classified contracts, until such time as revised policy can be published.

With that, I would say I think the notice, again kind of unread, I think conceptually it's easy to say that will be helpful, but I think it's equally easy to say that that probably will not completely solve the problem. Because we still have two parts that are within a legal framework, regulatory or statute that doesn't line up. So, an important first step, don't want to take anything away from that, would be very keen to have some understanding as to what that may say and when. But I believe it would be fair to say that the work will continue. We will do the same. I think we're at a point now where our DTM is shareable in draft form and I'm willing to commit to putting that out so the other CSAs can see how the Department is looking to approach that.

It'll say draft in big bold watermark type so that, noting that a memorandum of this type is really an exercise in eighth-grade English essays. Meaning that we write it down, we put all the right technical wording in there, and then we hand it to a series of editors and see where we are. We're pretty far down the road on that, but we would still be in a place where one, it's good to share and if there are inputs that the CSAs and NISPPAC, I'm assuming ISOO, would have, I think we would be pleased to at least be able to bake them into the extent that we're able.

I appreciate in the industry update, Heather mentioned putting some attention on facility clearance timelines and the challenges that we're facing right now, particularly for new entrants. I think that's great. Again, with that eye for transparency and accountability that NISPPAC affords all of us, collectively,

that's the best way for us to be able to understand or remediate to the extent that we're able to. While, making sure that, of course, we're meeting the expectations of the Industrial Security Program so that there is confidence. When a company is granted a facility clearance, there's confidence in its meeting and what that can represent across one contract or a multitude, which is such as circumstances may be.

And I should say that it means the same thing, regardless of where that contract is awarded, be it across the Department and any of the awarding contracting activities that award contracts with requirements for access to classified within supply chains of prime contractors, and naturally across those other places where there are dependencies on Department processes for clearance granting, which is frankly, most of the government.

So again, get it fast or get it right. We know we have some work to do here and DCSA is pretty keenly focused on this. The Director has put a premium on really examining all aspects of the National Industrial Security Program so the agency has the right optic on it. Those of us in the Department that have responsibilities here, who do not work in DCSA, are endeavoring to make sure that we're good partners with the agency that has the lion's share of the responsibility here and will continue to update you. With the emphasis and the suggestions from our industry colleagues in particular about the value, the potential, I should say, the value of the working groups. This is one of those things where I believe that there are some objective work group outcomes that could be laid out here and that we could provide a meaningful update in a future NISPPAC and the next NISPPAC meeting.

So that's great. On the bright side of this thing here, and I don't want to take anything away from DCSA and what the remarks may be, but I feel like it's appropriate from a department level to really call out what is not, I think an outstanding body of work with respect to the NISP contract classification system. So, a lot of work, years and years of work went into establishing the requirement and documenting it within the framework of the FAR and putting it to bear. So that's a slog in and of itself. The system aspects of these things are sometimes pieces and parts that we take for granted, but it turns out that it's pretty hard to put systems out there that have responsibilities that are cut across the federal executive branch and then of course have touchpoints across industry. The initial NCCS was successful because it was rolled out, but problematic because our patients for anything IT is essentially, nonexistent.

And so DCSA took it on its own and what was, frankly, not without some controversy to remediate and take some initiatives, leveraging cloud, frankly, to come up with a better means of collecting what are very important supporting elements related to the NISP, and that is electronic DD 254s. So, they have done that. They took a lot of slings and arrows, more than a few from my office, frankly, and elsewhere, about taking a system offline, because of what that means in a larger FAR world. But we're better for it. They rolled it out back in the summer, early summer, I think. And if I wanted to take the opportunity, one,

to call out what is really a remarkable success by the agency, but also frankly to call out that the good news is, it is out there. The challenge that remains for us is it's not being used all that much.

And so, we'll be looking to memorialize a reminder across COD agencies here. That should be forthcoming quickly. But because it is FAR-based, I felt like this was an appropriate forum and really, frankly, the right time to put out there that this is something that everyone is supposed to do here. Security professionals who are on this call today, carrying that back and working with our acquisition counterparts to really kind of dust off that reminder. I think, again, with a nod to work groups and really the next update, we can say, well, we're pretty close to zero use rate right now. I think with a little bit of initiative and some energy out of, frankly, today, we could see a substantial uptick. And I think that would be really quite good for a whole host of reasons.

And finally, just a couple more updates here, real fast. So, we're pleased to have had some contact here recently, in what has been a continuing challenge, where there have been observations from industry associations and groups regarding delays that are sometimes experienced. And by sometimes, I mean most of the time, when employees move from one contract for which access is a requirement, primarily focused on a CI. In particular, there are several recommended courses of action, which we have taken for action to explore. Noting that this is not an eligibility discussion, that it is an access discussion, and I'll make it through the entirety of this little update without saying the R-word because it doesn't apply.

But based on some good data and frank inputs that we've worked on, we have a draft memo that is largely a reiteration. So again, we don't have really a policy problem here. We have a little bit of an interpretation challenge. Then NISPP is a big place. The Department of Defense is a big place. You see the world where you sit on it, all those sorts of things. But starting with, to be able to reiterate what is permissible within the framework here, we think is something that we in the Department are able to undertake and are committed to do. We're pretty sure that that's a pretty short path for us, for which we will soon then be reaching out to our counterparts in DNI, to make sure that we have their take. We're going to do that. We think we're at a point with the way in which we're putting this guidance together that we'll be reaching over.

I don't generally like to forecast too much, but I think this is a kind of timely issue and one that's of substantial interest to an awful lot of folks in industry. And candidly, there's interest from the Hill. So, we think it's good to put ourselves out there in this way so that we can help to hopefully get some fairly prompt feedback from our counterparts on the IC side of the House and put out smart guidance here. I know that that's not the end of the discussion, it's probably more like the beginning in terms of what the government and the Department are able to do, but we think it's a necessary place to start. It's consistent with other initiatives that we have out here and frankly other interests that we have within the Department and a little bit beyond.

So, more work to come on that, but putting ourselves out there so that, again, transparency and accountability, so that everyone knows how we're marching forward thus far. And we'll provide updates in subsequent NISPPAC meetings. And then finally, a word on upcoming NISPPAC meetings and understanding where we stand with respect to the continuing challenges of life in a changing environment. I don't know if we're supposed to say post-COVID environment, I don't think that really exists. But as we understand what the new normal looks like here, I would say, that many of us had the opportunity to be together in person thanks to what was an outstanding conference that AIA and NDIA put on last week.

And I would say, Mark, if there's a way for us to return to in-person meetings, I think I heard earlier in the remarks that there'd be about another year before we could think about that. I hope that that's something that we're able to revisit. Understanding the challenges of that beautiful building that you all work in, that may be represented there, I would put out there, and I'm happy to take offline, there are other venues and options. But the importance of the dialogue, the opportunity for questions from folks who are in person or who are able to participate, it's the dialogue that really is absolutely essential. It's been a long time. Heather Sims mentioned earlier that it's been so long since we've had an in-person meeting that the opportunity for dialogue, we're all in transmit. Honestly, I don't mind transmitting. Those of you who know me, know that's for sure. But it's mostly, it's transmitted with the intent to receive. That's where we really are able to address and meaningfully engage on what our very, very important issues that certainly affect the Department, obviously industry, and then more broadly the fullness of the executive branch.

So, whatever we're able to do to help. Turns out there are lots of DOD facilities around here. I'm pretty sure I could find one that would be willing to play host, that's within reasonable driving distance of here so that we least explore the opportunity of in-person meetings. And with that, I thank you very much for the time and I'm done.

Mark B.:

Anybody have any questions for Jeff? All right, Jeff, thank you so much for the kind, personal remarks. Appreciate it. It's been a real honor to work with you and the people on this committee. As far as the notice goes, I value that we will share any draft with you and industry. It seems to me the most important thing is to get this one right. It's such an important topic. And the cost, I can't emphasize how important it is that we get that right, too. I mean, this is especially data-driven administration. Out of all the ones I've had the honor to serve in, this one, the first question is, how much does it cost? And if I've learned anything in this chair and in this part of my portfolio as Director of ISOO, it's the national industrial base is a target-rich environment, and we really need to tighten up the security.

The problem is security is expensive. And in order to be able to help industry and help ourselves, we need to be able to give the Hill, the appropriators up there and also the policy people to NSC the data, that is why we need to do this.

That's the first question I get time after time is, "Well, how much is this going to cost?" And so anyway, it is imperative that we keep on that working group and try to get those figures as accurately as we can because they will be carefully vetted and examined. So anyway, with that, let's turn now to Mr. Keith Minard, Senior Policy Advisor with the Industrial Security Directorate of the Defense Account Intelligence and Security Agency. Keith, the floor is yours.

Keith:

Thank you again, Keith Minard, DCSA. And first, Mark, let me on behalf of DCSA, thank you for your service and leadership to the NISPPAC. It's a very important role and the NISPPAC serves a very important function. So today I'm going to hit a few areas. One most importantly, FCL timelines, seem to be a theme today with industry and with DOD, so we'll follow that on a more tactical level. I want to give some of the good news stories this year, implementation at 32CF, and some other key actions that occurred over the last year with DCSA, DOD and cleared industry. It's very important to capture those events and those things that have been accomplished.

So first, I know this is a key area of concern, facility clearance timelines. DCSA is currently working to reduce timelines for both the new FCLs and upgrades to FCLs. We understand the concerns of both industry and government customers on the current timelines and are working to reduce those timelines. As part of our strategy to reduce timelines, we've established a tiering system for FCLs, akin to those established for personal security investigations. This is to reflect the type of FCL case more accurately and better allow DCSA to manage those cases in a more efficient manner while managing risk.

Each of these tiers has a key performance indicator for processing timeline goals, each of the tiers. So, to kind of give us an overview of what these tiers are, tier one are those cases with no identified risk indicators. A risk indicator is defined as a factory vent or circumstance or condition that may indicate a facility is ineligible for an FCL. So, we're looking for those things that may warrant FCL not being granted in the first place. Our current KPI for those will be 60 days, though our current average for issuance is 155. You'll see is, we'll work on these processes, and how we need to reduce our timelines down to our KPIs. Tier two or those cases with identified risk-

Keith:

Down to our KPIs. Tier two are those cases with identified risk indicators, but without a requirement to review or implement mitigation. Our current KPI for tier two is 90 days our goal. But our current average is currently 266 days. The tier three of those cases with identified risk indicators, requiring review or implementation of mitigation, our KPI will be 180 days and our current average is 263 days.

So additionally, to try to reduce these timelines, we've implemented a 90-day plan that began on October 1st. The plan includes contractor search support in understaffed areas, increased training, internal procedures, and increased efforts to reduce production timelines. The key point here with Industry is we want to establish an external communication working group, to make sure we

update our customers on these changes and understand the criteria we're working with. So, if you have any questions on looking for additional information on FDLs, or processing questions on specific FDL processes, I'll share with ISOO to share out with the attendees our email box and phone numbers that they can call about FDL timelines and other questions.

So, FDL timelines is really a huge effort that we need to work on right now. But I do want to address the good news story for this past year. Really this last year with a lot of partnership and engagement, not only within UCSA and DOD but definitely with our Industry partners and other federal executive branch agencies, on the implementation of 32 CFR part 117. Huge effort and it was really a success story and good news this last year. We know that there are additional requirements that we need to work with Industry to address. Areas of question or concern about consistency, and how things are interpreted. But I think we've come a long way this last year in implementing a major change to the NISPOM rule, on the implementation of the rule. So, I'd like to hand that out as, really, a success story for Industry DCS and DOD and other federal executive base partners.

Industry implemented the 32 CFR last August. Shortly afterward in September, there was a new security review model. New rating system. Later in the fall, industry passed. Another huge milestone by reaching a full enrollment of its cleared workforce in CV. Alongside all DOD-cleared personnel. In October, DCSA introduced a new field structure to better accommodate its evolving security mission landscape.

The digital repository for DD form 254 as Jeff Spinnager talked about, NCCS, was sunsetted so we can implement the new system. In April of this past of this year, we transitioned from DIS to ENVIS. And I think one of the most important things we got to at the end of the year on the rule was, in August of this year, we deployed the unofficial foreign travel bulk upload capability, as a DIS update. And that really closed out the implementation of the 32 CFR 117 from an operational perspective. So, I think, over the last year we've had a lot going on. There's been a lot of successes and a lot of efforts by all parties involved. And I'd just like to go ahead and thank everybody involved for all these efforts. It's a lot of success in enabling the protection of classified national security information in the NIS. And I think it's a way forward to show our best practices on what we do.

The next is an update on field reorganization. And this is just a quick update. As many of you already know, Mr. Larry Vincent is the director of field operations and came on board earlier this year. Since then, DCSA has hired three of the four new regional directors that are at the DISA level, and I think I want to foot-stomp this. So, what does this mean to industry under DCSA oversight? There are no additional changes to which field office you were assigned or your assigned Industrial Security representative, from the reorganization. Those changes already occurred. And we'll also make sure we keep NISPAC informed of any future changes.

The last thing I have is, during the most recent clearance working group, Industry addressed a few areas that require follow-up, which included questions on DD form 254s, security and depth, security rating model, and open storage. We've had staff coordinate responses in writing, and we'll be sending those to the NISPAC for sharing with Industry later this week. That closes my talking points for today. But later in the NISPAC, you'll hear from Mr. Dave Scott on DCSA authorization metrics, and Mike Ray on clearance metrics. Subject to your questions.

Mark B.: All right, anybody have any questions for Keith? Okay. Thanks, Keith. Next, we'll hear from Ms. Valerie Kerben, Chief of Policy and Collaboration, Special Security Director at the National Counterintelligence and Security Center Office. So, the Director of National Intelligence. Valerie, the floor is yours.

Valerie: Okay, thank you Mr. Chairman. And also, many best wishes to you and your retirement when that date comes. And speaking also on behalf of NCSC, we really thank our partnership, thank you for our partnership and collaboration with ISOO, and working together with us with that connection with Industry. So, thank you so much for your service and your assistance over here at OD&I.

Mark B.: You're welcome.

Valerie: So, let's see. We have had a very busy spring over here at OD&I. I think you all have heard or at least been notified of the various levels of policy that have come out. As you know, we work very closely with OPM. So, us as the security executive agent, and OPM as a suitability and credentialing executive agent. We have signed a few additional policies this spring and summer, so I'm just going to touch a little bit on each of them. If you haven't received these or seen them, please get in touch with either myself or Heather after the meeting and we'd be happy to share them with you.

We did jointly sign the Federal Personnel Vetting Investigative Standards. That was on May 18th. It was jointly signed. And this is where we've established a three-tiered investigative model. So, I think we have also discussed with everybody that the current tier system of the five investigative levels tiers, will convert to three. And it applies to those five scenarios for personnel vetting. We have the initial vetting, continuous vetting, upgrades, transfer of trust, and re-establishment of trust. And those are our distinct areas for reciprocity. And this type of information that is collected in those three investigative tiers will help the agencies make their trust determinations, whether it be a national security determination, a suitability determination, or a credentialing determination. Even though these have been issued, they are not effective at this time. We are currently working on the implementation guidance for the investigative tiers.

What's really important is, that these standards meet the critical milestone on our path toward full realization of trusted workforce 2.0. That model of different policies where we have started with that core doctrine, and we have the guidelines and the standards. The next phase is getting to the

implementation guidance. And this model will strengthen and empower agencies to ensure they have a trusted workforce, a mobile workforce, and that everybody is vetted in a timely process, a timely manner. Which also will address risk. And we'll be able to determine things in a timelier way and be able to act on things earlier on than waiting those five or 10 years during the reinvestigation cycle.

So, after the investigative standards were signed, we also worked to sign... Our executive agents signed the common principles in applying federal personnel vetting adjudicative standards. These common principles promote consistency and fairness in the adjudicative process. And it's to really go across all personnel vetting domains, where you have your suitability, fitness, national security, and credentialing.

In the suitability and credentialing side, there's still always going to be that 5 CFR 731, which is actually out in proposed rulemaking. But that's still always going to be the policy for making those adjudicative decisions. We on the national security side, still use and apply seeds for, it is still the valid policy for making the adjudicative determination. But in the future, we will be looking at it and see if there are any updates that might be warranted. But for right now, there are still those two different standard structures. But these common principles really show what is the consistency and fairness in the process.

And again, the emphasis on these principles. Really want to ensure we have accurate reporting, and recording, of personal vetting actions. And that the determinations promote transparency, enhance that mobility, and facilitate information sharing.

That was issued in July, and then just this past September we issued the Federal Personnel Vetting Performance Management Standards. These management standards really establish the minimum performance measures. And describes those key characteristics of quality management programs, that will be used to evaluate personnel vetting. So, when we, as the executive agent, or as OSD&I comes out as the security executive agent, we want to ensure agencies are in compliance. And we want to ensure that everybody would be performing at the same level. And that way with these new performance management metrics, we'll be seeing how agencies are doing. And of course, help them if they need additional assistance. But by assessing the success of personnel vetting programs, we're going to measure the efficiency, effectiveness, fairness, and risk, in the federal personnel vetting enterprise.

And these performance management standards will also enable policymakers, department agency heads, and program managers, to really look at the data and see if we need to make improvements in any way. That goes in line with our whole policy framework. It's an agile policy framework, and we'll be able to make changes and adjustments along the way, to see how effective we are, and efficient in the vetting process.

Those were three big policy documents that were just signed and issued. We are still working on other documents such as the National Training Standards. And the training standards, as you know, they've been established already since 2014, I think it is. We did a gap analysis to see where we need to make some updates. We'll be putting out investigative standards. I'm sorry, policy and the training standards for investigators. What they need to know and what they need to do. And for those adjudicators. What they need to know and what they need to do to meet those training standards. And remember, we want to make sure all investigators and adjudicators are doing the same job. They're doing things the same way, and everybody understands what's required.

Trusted Workforce. I think you all have heard that we were going towards 1.25 last year, last September. And now we've passed the milestone of September 30 for having agencies get ready for their 1.5. Most of the key agencies, everybody I think who's on this call, have certified to us that they have a 1.5 compliance program, for continuous vetting. Where they'll be doing that continuous vetting process, in lieu of doing the traditional periodic reinvestigation. So, lots of great success on your part, agencies, and coming to us. And we're really proud of all the success we've been working on together to get to this interim state of 1.5.

From OD&I's perspective, we're still working on a lot more things. There are a lot of moving parts. We're trying to keep you involved, engaged, and informed of everything that's coming down the pike. And as Heather said too, the harder part now is the implementation and being ready for it. And understanding the impact on Industry, as well as the government agencies. But we're all here together working on this. We have a great partnership with Industry and our other CSAs. And see how to make this work. And moving towards this whole new bold transformation and reform of Trusted Workforce.

Two other things. We are still also working on the updates, the standard forms. The thought is to have a new type of platform, a combined format of all the investigative forms. And depending on the position, and position designation, and what's required, applicants will be filling out certain portions of the investigative forms. Updates are being... Well, right now we're in the final stages of getting it ready. It's going to need to be posted in the Federal Register for public comment. We will let you know when it does get posted for comment.

And we've also made some updates to the implementation strategy. It was issued last April, and we said that updates will be done iteratively as implementation progressed. So, we've made some great progress. And that has also been revised and updated to performance dot gov, for you all to see what has been done. And, what more we have to do to get to full implementation.

We do appreciate all the feedback from our government partners and Industry. And we look forward to greater precision and ensuring that all the policies and guidance out there is going to be effective for you all.

Oh wait, I do have one more update. I'm sorry. For the SF 312, it's the non-disclosure agreement. I'm sure you recall NARA made the change to the 32 CFR, saying that the regulation has changed, allowing for the digital signature on the SF #12. DNI is very close to submitting the changes and submitting a new form. We are working with GSA. We're going to have to work with them to make sure the correct form is updated and available for everybody's use. But right now, you could still use the current form, but just giving you that update. We are hoping we will be done with those final stages of getting approval and submitting it to GSA very soon. So, I think that's it for me. Mark, if there are any questions, I'd be happy to entertain them.

Mark B.: Okay, thank you, Valerie. It was a very fulsome report. And I also appreciate your work on the 312. That's an important change. All right, does anyone have any questions for Valerie? Thanks again, Valerie.

Valerie: Thank you.

Mark B.: Up next? Sure. Mr. Rich DeJausserand, Deputy Director of the National Security Services Division, Office of the Chief Security Officer at the Department of Homeland Security. Rich, the floor is yours.

Rich: Good morning, Mark. Good morning, everyone. Thank you very much. I also would like to thank you for your service and wish you the very best in your retirement.

Mark B.: Thank you.

Rich: I have two updates. One regarding the cybersecurity security model certification program 2.0. DHS is still monitoring DOD's implementation for any outcomes, and lessons learned. We're also looking at evaluating the cyber hygiene practices for vendors, using self-assessments, to evaluate the cyber security posture of agency contractors, rather than conducting third-party assessments. That came directly from our National Cyber Security Division Director, Mr. Dennis Martin. So, in a nutshell, we are still evaluating CMMC 2.0.

Regarding Trusted Workforce 2.0, DHS continues to implement Trusted Workforce 2.0. To date, DHS has enrolled about 85% of the national security-eligible population into the ODNI continuous evaluation system. Additionally, the department continues to work with our components. Tip amount of plan to have 100% of the population, both national security and public trust. To include low-risk positions enrolled in wrap back by the end of FY 23 fourth quarter. And complete enrollment of the wrap-back eligible population no later than December 31 of this year, 2022. By completing these milestones, it's going to allow our department to begin replacing periodic reinvestigations and receive immediate notifications of arrests, or other issues in real-time, to provide early detections of risk and mitigating threats. And that's all I have unless there are any questions for us.

Mark B.: Anyone have any questions for Rich? Thank you, Rich. I appreciate it. The next update. Oh, you're most welcome. Yeah. The next update we will hear from is from Ms. Natasha Sumpter, Program Planning and Management team lead, Office of Security, with the Department of Energy. Natasha, the floor is yours.

Natasha: Good morning, Mr. Chairman, and I appreciate the introduction. Good morning to the NISPAC members and the meeting participants. We appreciate the opportunity to provide programmatic updates to our community. To you, Mr. Chairman. Thank you so much for your leadership and your efforts to bring government and industry partners together, to address and resolve challenges, and often achieve programmatic updates and enhancements. We wish you much success.

Mark B.: Thank you,

Natasha: Regarding the updates from the Department of Energy, first, thank you to Valerie Kerben and the team out at ODNI for providing the update concerning the SF 312. The Department of Energy has issued a policy clarification to our community, to allow our folks to actually conduct the digital signatures on the SF 312. Many of our organizations and sub-organizations are actually doing that now. So, we appreciate that update.

Concerning some of the questions that were brought to our organization. Regarding the Cybersecurity Maturity Model Certification, the Department of Energy is currently not participating in that. And we currently do not intend to do so.

For the Trusted Workforce 2.0. We are making great strides in that direction. We are implementing that program. And we are beginning to see some cost savings, as the periodic reinvestigation requirements are beginning to go away for that.

My computer has frozen. I'm the one in my organization that always has computer issues, so please bear with me if it takes me a moment. So also concerning the outlook on the return of investments. From Trusted Workforce, 1.25, 1.5, and 2.0, those cost savings that I mentioned, they are allowing us to focus those funds into other areas. Because we are incurring new costs associated with continuous vetting of our low-risk and nonsensitive public trust positions. Unfortunately, we don't have that data right now to share with you concerning the actual cost savings. However, we anticipate being able to share that information in the future.

Regarding the timelines concerning processing, facility security clearances, PCLs, et cetera. You will hear more about the metrics concerning personal security clearance processing later in this discussion today when we provide our clearance workgroup updates. But concerning the processing time for facility security clearances, there are quite a few variables and other scenarios that

impact the processing time. In a perfect world, it would only take about six months to actually process a facility security clearance. However, because of those variables, and other intricate details concerning key management personnel, key managing officers, security clearances themselves, and exclusions, it could really take some time to work through those processes. So, we can't really give an average time for processing FCLs.

We do not currently have any Department of Energy acquisition regulation changes on the horizon. So, right now it's status quo. However, we do have some changes to DOE Order 47.4B, that were mentioned a couple of NISPAC meetings ago. Those efforts for updating, rewriting the order, are currently underway. There are two integrated project teams that are splitting the order into two new directives. We anticipate this project taking approximately two years to complete. But once this project has been completed, we will provide that update, and any significant changes along the way that will impact our community. Excuse me.

Finally, concerning any continuous improvements, or lessons learned to share with the community, we don't have any additional information at this time. Barring any questions for me, this concludes the Department of Energy CSA updates and I turn the floor back over to the chairman.

Mark B.: Thank you so much, Natasha. Anyone have any questions for our Department of Energy before we move on? Okay. Next, we'll hear from Mr. Dennis Brady, Chief Security Management and Operations Branch giving the NRC's update. Dennis?

Heather: Mark? NRC will not be calling in, so we can move on to the CIA, sir.

Mark B.: My point by the number of talking points here. Let me scratch that out. I should have picked that up earlier ahead of... Thank you. Okay. Next, and last before we take a break, we'll hear from Don, Chief Office of Security Policy giving the CIA's update. Don, the floor is yours.

Don: Good morning, Mr. Chairman, and members. From CIA's perspective, as far as timelines for investigation and adjudication over the past 20 months or so, CIA's industrial program has reduced its overall case inventory, of all types, by 55%. In addition, we've reduced the cycle times for several of our key case types by 100 days. And then during FY22, the industrial program set new monthly, quarterly, and annual records, for production. And this was conveyed to our industry partners at a conference in McClain, back in September.

Despite a significant increase in crossover requests over the past three fiscal years, CIA's industrial program continues to process clearance crossover requests in one to three days. And nearly 88% are immediately approved. The other 12% of the cases require additional security processing and may not be completed in the typical time of 24 to 72 hours.

And then on another front, CIA's Office of Medical Services now conducts medical evaluations for incoming contractors who are being submitted for staff-like access. So, equivalent to full-time career staff officers. And so, it's very similar to what we do for our own officers, as far as medical evaluations.

As far as process improvement efforts. Our one primary continuous improvement effort, and one that is an ongoing project, is the development of a new case management system that will replace our legacy system. And this should result in some improvement in timelines. The system is expected to be deployed with the industrial program sometime in FY23.

And then finally on Trusted Workforce 2.0. The agency continues to look for ways to evolve our business in the context of Trusted Workforce 2.0 initiative, and within the Federal investigative standards and adjudicative guidelines as they're published. This is particularly true in areas related to continuous vetting practices, adjudicative thresholds, and general timeliness. And that's everything I have for now, for CIA. Thank you.

Mark B.: All right, Thank you, Don. Does anybody have any questions for Don? All right. Hearing done. What we're going to do right now is take a five-minute break. I've got 11:25 on my watch here. So, within five minutes or so, around 1130, we will start back up and wrap up our meeting for the day. I'm going to temporarily adjourn for five minutes.

All right. We're now moving into the portion of the meeting where we get reports from the NISPAC working groups. However, we will not be discussing all the working groups at this time. We provided slides with highlights of all of them. We will only be hearing about the clearance working group and NIS information systems authorization, also known as NISA, working groups at this time. All right, I'm going to turn it over.

Heather: Thank you Mr. Chairman. You've already heard from some CSAs, and CSOs, on the high-level points of what was discussed during the clearance working group on August 31st, 2022. We will also hear from DCSA, for their security clearance and information systems metrics, along with metrics from DOE. The NRC workload and timelines performance metrics have also been emailed to all participants. We are now going to hear from Mr. Dave Scott the NIS authorizing official for DCSA's information system update. Dave?

Dave: Yes, thank you. And Good Morning everybody. I've got two slides to brief you on today. One is on national metrics, and the other on a triage process that I talked to you guys earlier about. Looking at a hearing review from FY22. I am really, really happy to report one of them -

One of the major items that we looked forward to doing over the course of the past year was a reduction in our systems. Really cleaning up our database and partnership with industry and internally. This time last year we had a total of

6,420 systems. I'm happy to report as of October 1st, that number was 5,634. That was due in large part to a lot of cleanup of systems that had previously expired, not closing out the risk management framework process, and then following through on decommissioning or when systems are no longer active for use or required for use per contract. That in turn reduced our overall footprint of users in the database of record Enterprise Mission Assurance Support Service (eMASS) from over 4,000 a year ago down to about 3,500. So, we're happy to report that. This year our authorizations for FY22 were just under 3000 or around 2,918, which is a reduction of 3,400 from the previous year.

The previous year's increase was due in large part due to covid in a lot of the cycle of six-month authorizations. This past year, we made a big effort to get out on site and reduce our footprint of conditional authorizations and move towards full three-year authorizations. And on the left-hand side of the chart that we had, you can see the ATO and ATO-C breakout, which I'll bring out to light. This time last year, three-year authorizations were sitting around full authorizations, around 54%. You can see the significant increase up to about 61%. And that's again due in large part to us getting out there, back to industry, assessing the risk, and making those full determinations. And then also a reduction in pending risk or conditional authorizations down from about 20% last year to 16%. So, we're happy to report that as well.

And then in large part to the partnership with NISA Working Group, we made a significant change to our system in January of this past year when industry wanted transparency into our database of record of eMASS, where they could see the full life cycle of their packages from start to finish. And then also we wanted the capability to provide better national metrics and then also for workload management internally. Due to a large part, the transition happened in January. I'm unable to provide FY22 metrics, but we can provide a snapshot of about 700 workflows as of October 1st where our DCSA time, is calendar days, it's 61 days for us to make an authorization decision. And our goal within the published [inaudible 01:29:36] is 90 days. So, we're well within those goals and we're going to continue to come up with process improvements, throughout the year through our eMASS application in order to continue to strive toward consistency and enhance timelines.

A little breakout of the authorization workflows. Again, these are active workflows, not FY numbers, for our three-year authorization decision. So those are around 51 days. That's where we do a complete package review, on-site review, and make an assessment. The recommendation for authorization is about 51 days. You'll see the days for an extension on the slide is around 70 days. That is due in large part, to there's a tool in the authorization official's toolbox where we may need to get some additional resources. We need to get on a plane or maybe we're waiting for a last-minute item that we need to close out prior to making that authorization decision. And we can extend the current authorization. And those decisions are made a little bit closer towards expiration, which is why that's a 70-day and a little bit higher than the other number.

Moving on to the next chart. I've provided national triage metrics. We, at our headquarters level, have contractors staff called Scholar Secure Compliance Assessors. They're contractors and they review the incoming packages from industry. And this is a process that we stood up a few years ago to really improve consistency and timeliness. And it's really starting to show the goodness of this work at the triage process. This past year from a national metrics perspective, these are FY22 numbers. We had 8,642 packages that have gone through our triage process. Now, this number is significantly higher due in large part because of the January 2022 workloads, the modification that we made. And that's why we had thousands of packages we sent through the workload all at once. And that's why there was no triage conducted on those. And that's the 2,593 number, but we'll start to see throughout the FY, we'll have a better metrics to report as far as the actual triage coming in and going forward.

And then also return for rework. The top three items, return for rework from industry. Again, this is kind of step one, this isn't a true assessment. This is making sure that packages are complete and following our published job aids, our implementation plan or improper complete implementation plan, test results, not completing the test results or satisfactory in order with the job aid. And then missing artifacts, which is simple as providing contractual work such as a DD254. And then also missing hardware, baseline software, and baseline simple items. And then also just kind of to wrap it up from the triage process. From a comparison from FY22 to FY21, we're really starting to see the return on the benefit of having the triage in place. When we first started, it's not on here, on the page, but when we first started, we had significantly higher packages returned. Well over 50% and I think it was closer to 60%, 70%.

And you'll see in FY21, our return for rework was 36%. And then we've improved drastically reducing that number down to 28% in FY22. And that's in large part to a partnership with industry and industry submitting good clean, consistent packages throughout the year. And then also in addition, due to the fact that the packages to coming in from industry are much better and more complete and accurate, our timelines have been reduced for our triage from FY21, which was nine days down to now four days. So, I'm happy to report that we're continuing throughout this next FY, we've got additional plans and upgrades within eMASS to really improve upon metrics and consistency throughout this FY. And that is all I have to report pending any questions.

Heather: Okay. Thank you. I really appreciate that. All right. We're now going to hear from Mr. Mike Ray, Deputy Assistant Director of Operations of Vetting Risk Operations with DCSA for their writing statistics, Mike.

Mike Ray: All right. Good morning, everybody. We'll start off with the investigation, inventory, and timeliness. For the investigations program, the inventory continues to remain within a stable state. You can see the inventory of industry cases is at 26,000. Going down the slide there, the timeliness for industry for T5, initials for FY22 Q4 is 121 days. That is an improvement. A 72-day decrease from

193 days end-to-end in Q1. The T3 initials for FY22 Q4 end-to-end is 95 days. And that is a 23-day decrease from 118 days end-to-end in Q1. On the next slide, we'll talk about the CAS updates. You can see on slide one from the upper portion of the slide, the DCSA current adjudication case inventory stands at approximately 26,000 cases. This includes all types of customer service requests, incident reports, tiered background investigations, and continuous spending alerts.

The DCSA has maintained stable inventory levels for the past two fiscal years. We expect in the fiscal year 2023, that inventory may increase with an increase in derogatory nature of work associated with remaining inventories of periodic reinvestigations, continuous betting alerts, and incident reports. You can see in the lower portion of the slide in FY22, DCSA adjudicated just over 184,000 cases. The output, as you can see here, has been relatively stable for the past two fiscal years, which is a trend that we expect to continue into the foreseeable future. Moving on to the next slide, the adjudicated timeliness for initial tiered background investigations, T3, and tier fives is at 21 days and seven days respectively. As provided in the upper left-hand corner of the slide. Of note, due to the deferment of eligible periodic reinvestigations and into continuous betting, periodic reinvestigations, inventories have drastically reduced. Coupled with the increase in the derogatory nature of the remaining cases, we expect periodic reinvestigation inventories will continue to remain above our timeliness goals until the remaining inventories are depleted.

At the bottom of the slide, you see nearly half of all denials of revocations executed in FY22, were initiated by a continuous betting alert or incident report. Please continue to send in those incident reports, your self-reporting is important. Our top reasons for clearance denials and revocations continue to be financial considerations, criminal conduct, personal conduct, and drug involvement. For reciprocity, even though it's not displayed on the slide here, we are delivering sustained performance in our reciprocity portfolio. Delivering reciprocity decisions on average within one to three business days. That's from submission to decision, a vast improvement over our performance two years ago. And for the next slide, for VRO updates, the total FY22 investigation request submissions were 207,000. 90% of all investigations had to enter determination on average within seven days. FY22 incident reports triage was at 20,000. FY22 customer service requests were at 54,000. The industry population is enrolled into trusted workforce 1.5 and VRO posted additional guidance on how to enroll individuals through submission of an SF86 at five-year intervals and also how to verify enrollment.

The SF 86 submission provides updated information that supports the success of the CV program. Post-enrollment alerts are generated based upon established thresholds which align with federal investigative standards and adjudicated guidelines. CV is impactful as we average by the 6% alert rate. Criminal and financial are the most valid actionable alerts. In FY22, we received 45,000 entry alerts, of which 18,000 or 40% were not previously known, and that's from 31,000 unique industry subjects. Please note that this information should have

been self-reported as our goal moving forward is to have individual self-report information as it occurs. And pending any questions, those are the updates from the CWG.

Mark B.: Thank you very much, Mike. Does anybody have any questions for him? Right. If not, we'll turn again to Miss Natasha Sumter DOE for her metrics. Natasha, the floor is yours.

Natasha: Thank you Mr. Chairman. On behalf of Mr. Tracy Kendall, who is the Department of Energy Personnel Security Policy Program Manager. I have these updates for you. So going on to the next slide, please. So, as you can see on the chart, the overall DOE has met the average timeline metrics over the past four quarters. So, this is definitely a good news story in comparison to some of the other slides that we have provided over the last year. Next slide.

For our tier 5 initials, we've met the IRPTA goal of 11 out of 12 months, and we expect this trend to continue in a positive direction. Next slide. So, for our tier 3 initials, we have met the IRPTA goals in 12 out of 12 months, which is another good news story for the department. And again, we expect this trend to continue moving forward. Next slide, please. For our tier 5 reinvestigations, we've met the IRPTA goals 11 out of the 12 months, and this is an improvement from our last briefing to the NISPPAC where we met the IRPTA goals for over the last 9 to 12 months. So, the department is continuing to improve our process times. Next slide, please. For our tier 3 reinvestigations. We had a hiccup in June of last year, but we have since resolved that and it has been smooth sailing in the upward motion. So, pending any questions, this concludes the Department of Energy's clearance updates.

Mark B.: Thank you, Natasha. Appreciate that a lot.

Natasha: You're welcome.

Mark B.: Any questions with the DOE on the metrics? All right, I see next Heather would be NRC, but we're going to be getting those later. So now let me turn to Mr. Perry Russell Hunter from the Defense Office of Hearings and Appeals, also known as DOHA. Perry. Floor is yours.

Perry: Thank you, Mark. And I would like to start out by recognizing the exceptional federal service of the chairman. And Mr. Chairman and members, if I may, I just wanted to say how much I appreciated your leadership, Mark. And for those of you who do not know this, Mark is also a prolific author, and I am eagerly looking forward to reading whatever books he writes in retirement.

Mark B.: I appreciate that, Perry. You're too kind, still.

Perry: So, with that said, I really appreciated getting to follow Ray because the reports from VRO are very encouraging. There is no question that with continuous

vetting now being the order of the day, since thanks to Trusted Workforce reforms and replacing the periodic reinvestigation, we are now finding adverse information sooner. What that means is that potentially, as Mike pointed out, as the DOD cast runs toward the end of their inventory of PRs to look at, they are going to be getting more of the cases that have the drop. Because those were the issue cases that took more time to resolve in the first place. But also, as Mike pointed out, the financial and criminal cases are not only the most frequent CV hits, but they are also the ones that had the highest validation rate. What that means for the due process end of things, is that we will see an increased number of cases with potentially disqualifying information.

I say potentially because this is where the new investigative standards come in. And if I may quote from the new investigative standards, "Risk is effectively managed by promoting information collection of both positive and negative information to assist national security suitability, fitness and credentialing adjudications in making a whole person trust determination." And also, from a separate section that ISPs "must conduct any required additional investigative actions to collect and review all the relevant and available facts and documentation sufficient to resolve the issues that are found." And so, I'm going to really foot stomp this because issue resolution is the way of the future because the CE or CV hit gives us only a fraction of the information. We're getting it much sooner than we would have otherwise with a PR. But there is still that rest of the story to be told. So, with that, I want to turn to two of the great successes of recent time of DOHA working together with the DCSA cast.

Number one, we are timely with all the legal reviews of industrial statements of reasons, and that means that notice is getting out timely to industrial cleared and would-be cleared employees about what issues have been found. So that's good news. The other good news is that the cast is working on an initiative whereby they're going to start issuing conditional clearances in industry. And that is with the full support of DOHA because one of the clearance reform principles that we've all worked toward is the idea of being able to resolve cases at the earliest possible point in the process with the fullest information. That not only helps us reduce timelines, it is also the most efficient and effective way to proceed. And so, while we have the advantage of learning more information sooner, that really makes it incumbent on all of us throughout the process to do robust issue resolution.

And I'm happy to report that the DOHA and the calf stand ready to continue to innovate in that area. Speaking of innovation, and this is my last point, we are holding more due process hearings than ever before, and that means that we're traveling more than we have in the past two years for in-person hearings. We're also holding a lot of in-person hearings, both at our Woodland Hills Telework site and in our main headquarters in Arlington. But in addition to that, we are also holding more cases than ever over remote video teleconference. We're using a secure DOD version of Teams, which is obviously secure, where other remote video platforms like Zoom are not. So, we're protecting PII, but at the

same time, we're able to get to you virtually, if not literally, sooner. So that concludes my report and I'm happy to take any questions.

Mark B.: Right. Thank you so much, Perry. Anyone have any questions for Perry about DOHA? All right. Up next is Ms. Heather Harris, acting associate director for the Controlled Unclassified Information Program at ISOO. Heather, floor is yours.

Heather: Thank you, Mr. Chairman. Implementation efforts of the CUI program continue. It is still a requirement to safeguard and handle CUI in accordance with executive order 13556 and 32CFR part 2002, the implementation directive for CUI. One of the highest priorities of ISOO as a CUI Executive Agent is getting CUI Federal Acquisition Regulation case, also known as a FAR clause, issued. This will create a common mechanism to communicate which information contractors create for and receive from the federal government that must be protected, how to protect it and who it can be shared with. Currently, laws, federal regulations and government-wide policies already mandate these protections. Once the FAR clause is issued, it will be a standard vehicle for conveying whether CUI is involved in the contract and what the existing requirements are for safeguarding it.

The CUI program uses the most common existing information security controls, the federal information processing standards, also known as FIPs, Publication 199, moderate confidentiality impact level as the standard for systems containing CUI. We worked with the National Institute of Standards and Technology, also known as the NIST, to incorporate these requirements into a contractor specific environment and framework using NIST special publication 800171, which reduces the controls contractors need to implement. If there are any questions about CUI, please direct them to cui@nara.gov.

Mark B.: Thank you, Heather. Appreciate that. Okay, we're now at the point of the meeting where we ask for NISPPAC members to present any new business they may have. Anyone wish to have the floor? All right. No new business. All right. Do any other committee members have any questions or remarks before we close out this meeting? All right, I have just a couple. I wanted to thank you all for being such great colleagues and wonderful public servants. I'm going to retire right now, June 1st of 2023. Looking forward to it. It'll give me about 38 years of working in the government and I started out as a young CIA officer in Pakistan not too long after the Soviets invaded Afghanistan. Then went up to the Hill for a bit, worked for Danny Patrick Moynihan. Had a sojourn as a public defender in DC and then went to DOJ right before 9/11, 16 years there and then came to ISOO, thanks to President Obama's appointment in December 2016.

So, I've had a good fulsome career. I've done a lot of things and pleased to have served my country and have met such wonderful colleagues. But one of the reasons I'm retiring now is that this job requires two things. It requires being nominated by office of the United States, and it requires presidential approval. And whether we're going to have a continuation of this administration or another one, I wanted to give the powers that be ample time to pick another

director of ISOO because I think the position is too important to languish. So, I wanted to give everybody plenty of time to get their ducks in a row and get this seat filled. So anyway, if you're ever down to Shenandoah Valley, please don't hesitate to look me up. I hope to be in Lexington, Virginia, where I went to college. Nice college town. So, I'm looking forward to writing a third book and watching you all keep the country safe.

So, with that, our next or your next NISPPAC meeting, I won't say our anymore. Your next NISPPAC meeting is scheduled for Monday, June 5th, 2023. Meeting will be a hybrid of in-person and virtual, the day before the National Classification Management Society or NCMS Annual Training seminar in New Orleans. As a reminder, all the NISPPAC meeting announcements are posted in the federal register approximately 30 days before the meeting, along with being posted to the ISOO blog.

I certainly sympathize or heard Jeff Spinnanger's remarks about having in-person meetings. I think they're absolutely critical. One of the oddities about the National Archives is we are open to the public. Our building is annually visited by hundreds of thousands of visitors from all over the world. And in fact, we had an active Covid case that was reported today. So, we're a bit unusual in that. But that said, I mean, I think that God willing, and if these vaccines work, we should be able to begin to meet in-person, I would hope very, very soon. Trying to hold a state local tribal policy advisory committee meeting in January in-person. So that would be a nice kickoff. So anyway, with that, I'm going to adjourn the meeting, and again, thank you all for your wonderful public service. Goodbye.