

November 1 NISPPAC meeting

MARK BRADLEY: [00:00:40] Thank you. Yeah, I'll move this closer here. (inaudible) these doors here. All right. OK, welcome. Shall we begin? We have, as you know, a very full agenda today, in fact, the fullest one I have seen. Anyway, I am Mark A. Bradley, the director of ISOO. Welcome to the fifty-seventh meeting of the NISPPAC. As you may have noticed, due to the large number of topics, we have added additional time to this meeting. We will have a five-minute break about halfway through. You're welcome to take a break whenever you want. We also understand that some of you may have to leave before the end of the meeting, so please feel free to do that as well. This is a public meeting. It is audio-recorded. For those of you here in the room, please be mindful that we have people on the phone through teleconferencing capability. Microphones around the table can be repositioned in front of anyone who wants to speak so that everyone can hear. In fact, the technical expert over there just asked me to make sure that when you do speak you grab the mic and bring it forward. If you don't have a microphone, others in the room and on the phone are not able to hear what you have to say. A [floor?] microphone is also here in the room for anyone not

sitting at the table. Those are, what, there and there?
Yeah. Presenters can use a podium at the front of the
room, which is back behind [Ben?]. Before speaking, please
identify yourself each time so that information is captured
in the audio recording of the meeting. As you know, we not
only record the meetings, but we also have a transcript,
which we like to attach to the minutes, so it's critical
that we know who spoke and who said what.

Introduction of the attendees, introduce the new NISPPAC
members, which I will do now. I'd like to welcome our
newest NISPPAC members and express our appreciation to our
outgoing industry members, Bill Davidson. Bill, where are
you?

BILL DAVIDSON: [I'm over here?].

BRADLEY: You're over there? Yeah. And Phil [Robertson?]. Our
newest members are Valerie Kerben from ODNI, who became a
member this past February and has been actively engaged as
a regular participant in NISPPAC's working groups and
meetings. Dan McGarvey and Dennis Arriaga -- I wanted to
get that right -- are our newest industry members, and they
began their terms as industry members last month, so
welcome to you all. I welcome you all and thank you for
your willingness to participate in this meeting and this

committee. Now, beginning with the table, I'd like to have each person introduce him or herself, and then we will have those on the phone please provide introductions. We'd like to ask you -- ask those on the phone to follow-up with an email to Robert Tringali at robert.tringali@nara.gov. Greg Pannoni will address some administrative items after we introduce ourselves, so, Michelle, should we start?

MICHELLE SUTPHIN: Michelle Sutphin, industry.

GREG PANNONI: Greg Pannoni, designated federal officer for the meeting and ISOO.

NATASHA WRIGHT: Natasha Wright, Department of Energy.

CHARLIE PHALEN: Charlie Phalen, NBIB.

KIRK POULSEN: Kirk Poulsen, industry.

FRED GORTLER: Fred Gortler, DSS.

GEORGE LADNER: George Ladner, CIA.

BOB HARNEY: Bob Harney, industry.

DAVID LOWY: David Lowy, Air Force.

JIM ERVIN: Jim Ervin, DHS.

DENNIS ARRIAGA: Dennis Arriaga, industry.

ZUDDAYYAH TAYLOR DUNN: Zuddayyah Taylor Dunn, NASA.

LAURA AGHDAM: Laura Aghdam, ISOO.

ROBERT TRINGALI: Robert Tringali, ISOO.

QUINTON WILKES: Quinton Wilkes, industry.

ANNA HARRISON: Anna Harrison, Department of Justice.

SHIRLEY BROWN: Shirley Brown, NSA.

DENNIS KEITH: Dennis Keith, industry.

JIM ANDERSON: Jim Anderson, Army.

GLENN CLAY: Glenn Clay, Navy.

DAN MCGARVEY: DAN McGarvey, industry.

KIM BAUGHER: Kim Baugher, State Department.

DENIS BRADY: Denis Brady, Nuclear Regulatory Commission.

VALERIE KERBEN: Valerie Kerben, DNI.

BEN RICHARDSON: Ben Richardson, DOD.

M: All right. [Let's start?].

STEVE DEMARCO: Steve Demarco, DOD CAF.

LEONARD MOSS: Leonard Moss, industry.

VALERIE HEIL: Valerie Heil, DOD.

LAUREN FIRICH: Lauren Firich, DSS.

LISA GEARHART: Lisa Gearhart, DSS.

MATT HOLLANDSWORTH: Matt Hollandsworth, industry.

TRACY BROWN: Tracy Brown, DOD.

ASHLEY BARLOW: Ashley Barlow, DSS.

NOEL MATCHETT: Noel Matchett, industry.

KEITH MINARD: Keith Minard, DSS.

M: (inaudible), industry.

MITCH LAWRENCE: Mitch Lawrence, industry.

BOB LILJE: Bob Lilje, investor.

KATIE TENNANTS: Katie [Tennants?], industry.

CORY KLEIN: Cory Klein, industry.

JOHN: John (inaudible), security [leadership?] (inaudible).

VAUGHN SIMON: Vaughn Simon, NASA.

APRIL ABBOTT: April Abbott, industry.

MARK RIDDLE: Mark Riddle, ISOO.

SARAH: Sarah (inaudible), [ISOO?].

STEVE CICIRELLI: Steve Cicirelli, industry.

JEN KIRBY: Jen Kirby, [industry?].

SHARON DONDLINGER: Sharon Dondlinger, Air Force.

HEATHER GREEN: Heather Green, DSS.

GIOVANNA CICIRELLI: Giovanna Cicirelli, industry.

KARL HELLMAN: Karl Hellman, DSS.

JOHN ABELES: John Abeles, (inaudible).

M: (inaudible), industry.

HELENCIA HINES: Helencia Hines, DSS.

DAVID WILCOX: David [Wilcox?], industry.

MARC RYAN: Marc Ryan, (inaudible) and industry.

M: (inaudible), industry.

JOHN: (inaudible).

F: (inaudible).

M: (inaudible), industry.

CHRIS PUFFER: Chris Puffer, industry.

KATHY PHERSON: Kathy Pherson, industry.

MARY EDINGTON: Mary Edington, industry.

SUE STEINKE: Sue Steinke, industry.

ALAYNE HUNTIMER: Alayne Huntimer, NSA.

MIKE FALLER: Mike Faller, NBIB.

MARK PEKRUL: Mark Pekarul, NBIB.

DONNA MCLEOD: Donna Mcleod, NBIB.

SHAWN THOMSPON: [Shawn Thompson?], DHS.

BILL DAVIDSON: Bill Davidson, industry.

BRADLEY: OK. OK, let's now turn to the folks on the phone.

Who wants to go first? (laughter)

GEORGE GOODWIN: George Goodwin, DSS.

BRADLEY: Thanks, George. Next?

F: (inaudible), US Nuclear Regulatory Commission.

LIZ: Liz [Bath?], industry.

M: (inaudible), DNDC.

CHRIS KELLER: [Chris Keller?], industry.

MEL MARTIN: [Mel Martin?], industry.

LISA REEDY: Lisa [Reedy?], industry.

LINDSEY KEISER: [Lindsey Keiser?] (inaudible) jobs.com.

DIANE RAINER: Diane [Rainer?], industry.

BRADLEY: Next, please. I guess there is no next. Yeah,
apparently not. (inaudible).

M: (inaudible).

BRADLEY: The person who just joined, would you please identify
yourself?

MICHELE O'DONNELL: Michele O'Donnell, Northrop Grumman.

BRADLEY: OK, thank you. All right. Then, there was a -- no, never mind. Ma'am, would you identify yourself?

F: (inaudible), Department of [Commerce?].

BRADLEY: OK, welcome. OK. All right. Greg Pannoni will address some administrative items and will also cover the status of action items from the May 10th, 2017 meeting and then cover some old business.

PANNONI: OK. Well, thank you, Mr. Chair, and good morning, everyone, the 1st of November. So, on the administrative side, a couple of things, all of the presentations and handouts were sent out electronically to all the members and previous attendees. So, for some of you who were not previous attendees, these documents and all of today's materials will be posted, including the final minutes and official transcript, on the ISOO website, which is www.archives.gov/isoo, and then you go to the NISPPAC folder. Also, the minutes and transcripts of our last meeting, which was on May 10th, may be found on the ISOO website, that same place. As far as some of the old business items or all of the old business items, what we had first was for ISOO to contact the government members to verify and update the appointed NISP senior agency official for each agency. That's closed. We've done that. Thank

you, government members. Also, it was for the government member agencies to confirm endorsement of each of their government members. That has been done, so that's closed. Next was for the government members -- there are certain compliance aspects for both government and industry members, as everyone knows, four-year terms, financial disclosure statement, attending meetings, voting, so this one is still open due to the financial -- annual financial disclosure requirement. We've only received four responses so far. This is for the government members only, so we're just reminding you to please submit those financial disclosure statements as soon as possible to the NARA OGC, as we've been doing it in the past, as we say in our bylaws. And that's Jean, J-E-A-N, dot-Whyte, W-H-Y-T-E, at NARA.gov, so please do that as soon as you can, government members.

Next is the -- this one is obtaining updates from the members on contact information, all the members. That has been done, so we're good there. Next concern, the MOU, the memorandum of understanding, that exists among the professional, industrial, national security organizations that are affiliated and involved with the program. They -- we recently updated the bylaws of the NISPPAC. They play a

role in submitting nominations, so there are two new members that -- we wanted to get an update to the MOU agreement, which we did, and those two new member organizations, federally funded research and development centers/university-affiliated research center, and the other is INSA, the Intelligence and National Security Alliance. So we have both of those. That's closed. Next was the PSMOI to provide details on responses to the tracking of RRUs, that's recertify, research, and upgrade of the clearances. This is related to reciprocity requests, so we'll hear from the PSMOI during this meeting to provide an update on the tracking, the RRU tracking methods. Next, we had DSS to provide an update on the National Industrial Security System, and we'll hear from DSS during this meeting to provide that update. And that's all we have as far as old items. Any questions? Back to you, Mr. Chair.

BRADLEY: Thank you, sir. Thank you very much. OK, we're going to turn to our first speaker. I'm sure you all are eagerly waiting to hear what Charlie Phelan has to say. With all the changes in investigations and personnel clearances processing, Charlie Phelan, the Director of the National Background Investigation Bureau, will brief us on what has

been happening with the NBIB since the May meeting. I'm very pleased to introduce or welcome Charlie.

PHELAN: Thank you, (inaudible). Am I coming through OK on this? I hear -- I see people shaking their heads. Hang on. I'll get a little closer. OK. Is that better? So thank you for the invitation here to come join you today, and, having said that, please don't be offended when I leave early. Maybe, Michelle, I'll be able to leave after you talk, and for the DOD people that are speaking after that, don't take it personally. Some friends down about seven blocks from here in that big domed building have asked that we stop by and have some more conversations with them. (laughter) So you -- I like you guys more. To give you a sense of a couple of things, we have a chart. I'm going to get to that chart in a couple of minutes, but I'll give you a sense of where things are and where we are headed in some areas here. So we keep putting a number up there, or it gets put up for us, of an inventory that we are -- that is referred to as a backlog; 700,000 is the number that keeps popping up. The good news is that that number was actually around 720,000 a while back. It is now -- we are on our 14th week of a decline. We are now under 700,000, probably 694,000 and looking to go down even further. But I think what's more important is to

understand -- and we probably haven't made a very good task of this in the past -- to make clear what is inside that backlog, what does that really mean, and what does that mean for you particularly, here in industry. So if we take that whole -- I'm going to round up to 700,000 at my own peril here and break that down. The number of cases in there that are national security cases, [initials?], is about 330,000, and that's both tier three and tier five. The rest are either periodic reinvestigations or suitability investigations that we're conducting, and a significant number of all of that is special agreement checks that we're doing for various agencies as well. So breaking down to 330,000 initials, because that's the question that we get a lot, I've got 330,000 people who can't work. To break it down a little further, it's about, right now -- and this is of the end of October -- about 224,000 of those are tier threes, and about 108,000 are tier fives, and this is across our spectrum, not just industry. Actually, when you break out industry, about 70,000 of that total is industry. That's you, so we'll talk about those numbers in just a couple of minutes. I think it's probably useful to understand what the output is. In 2017, we closed 70,000 tier five investigations. We closed 334,000 tier three investigations, and, in the

other categories, 166,000 of the tier ones, twos, and fours, and a not-too-small number of special age-- special agents -- special agreement checks and other name checks that we get, 1.9 million that we put through the system in 2017.

The good news is that we're, again, closing out about 53,000 a week in that total number, but new requests keep coming in at the rate of about 50,000 a week, so we're -- the headway we're making is good but not sufficient to get us further ahead as we want to here. So that will sort of take us to a chart here, and I'm going to really focus on the second and third columns there, which are the initials, which I think, again, interest you guys the most. The middle column is the tier threes. I think you're seeing some good -- it's a spike up, and this represents quarters, so this can vary up and down compared to what our average is across a fiscal year. But what we're seeing is tier threes, the blue part, which is the part that we control, went up a bit in the third quarter, came down again in the fourth quarter, and we anticipate it will continue going down because we're able to turn those out a lot faster. So the things that are still holding in inventory are not nearly as old.

The harder one to -- not to explain, but to sort of put in proper context is the tier fives, which you see that -- the timeliness, particularly for -- these are industry numbers. These are not all of government numbers. The timeliness has gone up to -- it looks like about 460 or something from here. I can't read it very well. And that is way beyond what we want it to be. There's a couple of things that are influencing that. One is, as we are able to increase our capacity and close out some of the older cases, we are going to see that they have been in inventory. They don't count until we close them out, so we're going to see some, politely stated, old dogs that are going to come out of the woodwork here. And until we get that taken care of, these numbers are probably going to rise a bit in terms of timeliness on an average. The good news is that on the fresh-out-of-the-box tier fives, we're -- for our whole enterprise, we're getting those done in about 160, 170 days, so the -- not that that's filtering through completely yet, but that will ultimately have a good effect on those numbers in the long run. So we're seeing some progress here. Part of it is old dogs. Part of it is, as we go back and look at what is -- is there anything different about industry as opposed to the rest of

government. And when you think about most of the rest of government, a big chunk of it is military folks coming in maybe for the first time. They don't have a lot of history. They don't have a lot of age behind them, whereas in industry you've got people that you're picking up that have, hopefully -- if you're getting them on a contract -- some experience, and they have a little bit longer life. We're seeing on average about 10 percent more work to be done just in terms of man-hours for an industrial case at a tier five level as opposed to a government case.

The other piece is that, because a lot of people who are a little bit longer in the tooth are moving about the country more, we also have a geographic challenge that there are parts of the case that will appear in different parts of the country, so that adds to a little bit of the complexity. Those are probably the two biggest things.

The other question you might explore with your sponsor is are your cases being put up for prioritization or not, and that's something to work with your agency with, which may affect it as well.

So that's sort of where the numbers are. It's not a number I'm happy with, and I've said that in other venues, but

we're seeing progress, and I think we're going to -- you will start seeing -- again, the number itself will reflect some of the old dogs. You're going to start seeing stuff come out a lot quicker. I think we're going to see that a lot more quickly is going to be on the tier three piece of the equation here. One of the things that has helped us get this number, these numbers, down has been increased capacity. About this time last year we were at about -- a little over 5,900 FTE for investigators between staff and contract in the field around the country. We're 1,000 higher than that now, actually almost 1,100 higher than that right now, just under 7,000. And that alone is -- under the current construct of how we have to do an investigation -- will be the biggest single impact on our ability to bring the timeliness numbers down to where we all want them to be and get cases closed. So we continue to work on it. We've got commitments from our suppliers, and, absent any catastrophe, they'll keep working on it and continue to build that capacity. We're continuing to hire feds, and we'll see where that goes.

A couple of other things that I think affect our ability to get things closed faster -- and I want to talk specifically about industry in a second, but we have worked pretty

closely with a couple of government agencies, Department of Energy in particular being a highlight, working with a couple of the military service lines, to look at can we or have we, in some cases -- and we are -- get a cadre of folks onsite either programmatically or geographically to work a lot of cases in a small geographic area in a hurry. A good example I've used in the past is Los Alamos. We sent a team down there and closed a ton of cases in a hurry last year, and that made a big difference in what they were able to get done programmatically. We're working, again, with two of the service lines on the military side to do the same thing at large bases around the country, and then, more specifically for you, timing being everything, tomorrow afternoon we are going to have a meeting out in the [Tysons?] area with a smaller group of folks from industry to talk about exactly how we can do that with industry as well, looking at geographic areas. Pick your favorite area where there's a lot of you around -- just off the top of my head, Los Angeles or maybe even DC or somewhere in the central part of the country -- where we can do the same thing and work with you to get that going. We also want to get some ideas from you all in this meeting as to what other things we can do. What can we do to use work that you've already done, incorporate it, save us some

steps, save us some time, and get some feedback on that? That's sort of a latter-day version of the trusted information provider, which never really fully got off the ground when it was raised earlier. And then, we plan later this month at the NDIA/AIA conference to report out some of the results of this and give you a sense of where we think we can go. So, in advance -- some of you in the room, I think, may be participating in that -- I appreciate your interest in helping that. I think that will help move that needle a lot forward, a lot further forward. And I think -- since you gave me 10 minutes, I think I'm right about my 10-minute mark. If there's a moment or two for questions, I've got time for it. Michelle?

SUTPHIN: Hi, Charlie. Thank you. That was a very good update. Could you -- do you know off the top of your head of the 50,000 cases that are coming in each week, what percentage are industry?

PHELAN: So the percentage over the year doesn't vary too much. It's roughly -- of the 330,000 that we have in inventory now, 70,000 is industry, so you could use that ratio.

SUTPHIN: OK.

PHELAN: It does -- if you look at it across the year, it does spike up and down. We don't know precisely, but I think it

has a lot to do with starts and stops of particular projects.

SUTPHIN: And the metering.

PHELAN: Well, I think -- I'll defer to Heather, but I think the metering is pretty much taking care of unless you're doing this again. (laughs)

GREEN: Right, so the past year (inaudible), but, yes, for the past year there was a lot of meter (inaudible).

PHELAN: Yeah. And, again, the numbers coming in over the course of the year are pretty consistent if you stretch it -- if you look at it across that spectrum.

M: It sounds like about one in four, 25 percent.

PHELAN: So seven into three -- yeah, about one in four. Yeah. (laughter)

M: Which makes sense.

PHELAN: Thank you, Sister [Mary?]. (laughs)

M: (inaudible) makes sense.

PHELAN: Yeah.

M: Not as high as I thought.

PHELAN: Well, as he said, it's not as high as you thought.

When we started looking at these numbers, it was -- I would have thought the industry inventory that we had would have been higher, but it is dwarfed by the rest of government.

OK. Thank you. Yes. Yes, sir.

KEITH: Dennis Keith, industry. What's your target --
(coughs) excuse me. What's your target capacity for
investigators? What are you trying to get to?

PHELAN: So that's a good question, because I made the
statement more or less in public on TV the other day.
We're at just under 7,000. I am -- we need about another
1,000 -- again, given today's methodology -- to get us to
where we will be able to knock everything down in a quicker
fashion. You all who have been around the business know
that you just don't go out and find 1,000 people and put
them to work tomorrow. The lead time to get these folks
productive is anywhere from six months to 12 months
depending on what experience level they come into the door
with. What we're finding from some of our suppliers is
that the old idea that we just go out and find a bunch of
ex-FBI people or ex-cops and bring them in and they're
ready to plug in play, that population isn't what it used
to be despite law enforcement retirement deals and
everything else. So a lot of them are turning to people
who are either entry level or near entry level into the
business, and there's a skill base -- I mean, they hire
people with talent, but there's a skill base they've got to
build up before they're going to be fully productive, and

we see that within our own academy. We bring people in.
It's probably nine months to full productivity.

BRADLEY: Any more questions for Charlie? OK.

PHELAN: OK. Thank you.

BRADLEY: Charlie, thank you very much for coming. We
appreciate it. All right. We're going to turn to our
second speaker, Michelle Sutphin, the NISPPAC industry
spokesperson, who will provide the industry update.
Michelle.

SUTPHIN: I'm waiting for the slide. (laughs)

BRADLEY: Yeah, (inaudible).

SUTPHIN: Thank you. OK, you can go to the next slide. So, as
Mark said, we do have some new faces today, Dennis Arriaga
and Dan McGarvey. Welcome to the group, and we do want to
thank Bill Davidson and Phil Robinson for the past four
years that they've put in. They've been extremely active
on all of the working groups, and we hope to continue to
see their faces around even though their terms are up, so
thank you. Next slide, please. And then, we do have a new
face -- I'm sorry. Go back. We do have a new face in the
MOU groups. In CMS, Dennis Arriaga was the former
president. We are now happy to have him on our NISPPAC
[fold?], and April [Abbott?] is the new president of NCMS,
so she is new to the MOU organization. Next slide.

Essentially, we've been briefing the same overview for the past few NISPPAC meetings, and basically what industry is concerned about is just the vast amount of change that we've been experiencing. I know everybody in the government is understaffed and overworked, and so is industry, so we're feeling the exact same pains you are as well, and we just want to ensure that we're all on the same team, which we've been doing a great job of working together on. Next slide.

Another area that NISPPAC is watching is legislation. It seems to be coming fast and furious in the past few months. We're trying to just get a better understanding of different things that have been popping up. We talked about at the last NISPPAC meeting the formation of a new advisory committee on industrial security and industrial-based policy. It's our understanding that the charter was filed in April of '17, but it has not yet been funded, so we are eagerly awaiting the funding to see what this advisory committee will bring and to see who the committee members will be. We've also noticed that the NDA 2018 is forming a defense policy advisory committee on technology to share cybersecurity threats between government and industry. We're also closely monitoring this and looking

at this to see who in industry will be chosen and, on the NISPPAC, what we can do to help in this area, if at all.

Next slide, please.

Obviously, we are very interested in how the split of investigations will transition if the NDA 2018 gets passed between NBIB and DSS. We understand DSS's mission is going to expand greatly, and we would be very interested to see how that's going to impact us. We also want some better clarity around some new legislation we're seeing. One of the intelligence authorization acts that was just presented has a Section [602?] that seems as if it's establishing formally the [pack?], and we're just like some more clarity on that to see the reason why that was put in and if that's going to change the mission of the current pack at all. The next piece of policy talks about House resolution. It has passed the House. It has not yet passed the Senate, the SECRET Act of 2017. It's actually going to be requiring NBIB to report on the backlog of security clearance investigations and reporting on the potential for duplicative costs of implementing this plan for DSS to conduct security investigations, and it's just a little bit confusing to us in industry as to why this legislation was put in place, because it does seem to contradict the NDAA

2018. So we're not really looking for as many answers today, but just kind of highlighting the fact that we're seeming to see some things contradicting each other and wondering where it's coming from and what it's going to bring in the future. Next slide.

NISPPAC has been heavily involved in a fee-for-service survey. This was led by [CAPE?], and they were asking industry's opinions on exploring different investigation options for personnel, security, and industry, a fee-for-service plan, a working capital fund plan, and a potential for an industrial funding fee. NISPPAC chose 29 small-, medium-, and large-sized companies to participate in this study. They were interviewed, and we also put forward a white paper on the topic. It seems to be our overall opinion that we're not necessarily concerned about the method of funding. We're more concerned about the lack of funding. We feel very strongly that if investigations are properly funded all of us would be in a much better place. We are still looking and anticipating the outcome of this study. Next slide.

DSS in transition, NISPPAC has been participating on both a core group and a focus group in partnering with DSS on

formulating the new methodology for DSS in transition. We're definitely committed to this mission. There are lots of ideas that are being given. We've already seen a lot of change in the methodology of old ways versus a potential new way, so we're excited about what that may bring. Our only concern with DSS in transition, again, is the lack of resources or training for implementation on the part of both government and industry in this area. We just really want to ensure that we have the proper resources to man a project as large as this. Next slide please. Going to old business, one of the areas that we highlighted at the last NISPPAC meeting was the new DHS proposed rule, the HSAR Case 2015-001. One of the items that was of concern to industry here is that DHS is proposing new categories of CUI that were not in the NARA registry as well as new ways to protect CUI that did not adhere to 800-171. It was our concern in this area that we may be having to set up different servers and areas to house CUI information if we have DHS contracts, which would cause an unnecessary cost and a potential for duplication of efforts. We did put forward a formal response to this, and we are also [waiting?] a resolution on this area as well. Next slide.

The other area that we are looking at is [SEAD 3?]. It is our understanding that SEAD 3 will be formally incorporated into NISPOM-conforming change three as an appendix, and the implementation guidance will go out separately by each of the CSAs. One of the items of concern here is that we are, again, worried about redundant reporting and different reporting on the same employee to multiple CSAs, so it's our hope that we can all get together and hopefully formulate the implementation guidance together so that we're not having a lot of duplication on reporting efforts when SEAD 3 becomes active. Finally, next slide, the working groups, the NISPOM rewrite group had our last and final meeting on October 19th. The effort was over a couple of years. I felt it was very, very successful. It was a great partnership between government and industry, and right now government coordination is taking over. I already spoke about DSS in transition. We've been working hard on that. We actually have a meeting tomorrow with the focus group, and then we have a NID ad hoc meeting that has kind of gone dormant until we can get finalization of [32-CFR 2004?]. Next slide.

Our insider threat working group, again, has also been kind of dormant mainly because DSS has been focused on just if

companies have programs in place. We are probably going to be getting a lot more busy when DSS starts assessing the effectiveness of the insider threat programs. During the DSS stakeholder meeting yesterday, they stated that they would like industry's assistance in helping to formulate how they're going to calculate the effectiveness, so we're very excited about getting moving on that and working with that. And then, finally, the NISA working group, industry participated in a DSS-hosted working group to review the [DAPOM?]. We're looking at the statistics. Thank you, [Carl?], for being able to provide those. Those have been great, a great indication to see how RMF has been going. Next slide. The personnel clearance working group name was changed to the clearance working group. The reason for that is because this group has been very heavily involved in not just clearance issues but also facility clearance issues and other types of clearance issues that may be impacting this group, so we wanted to widen the scope a little bit. The applications that we're concentrating on right now are obviously DISS. We're looking to formulate a DISS, government, and industry working group. We're hopeful that it will go live for industry in quarter three of 2018, and we are also right now very concerned about the lack of detailed training for DISS, and we want to ensure

that everybody on industry is going to be able to be properly trained before this goes live. Next slide.

And then, finally, NCCS and NISS, NCCS has been deployed. We are interested to know if there's going to be a timeline for the incorporation of NCCS into the knowledge center. As more industry companies get onboard, they're also going to need help and support in that area, and we're hoping that DSS will be able to support that more than they have been today. Finally, also, with NISS, we've participated in multiple beta testing sessions, and then we are eager for NISS to go live and be the official system of record. It has been a very impressive system during our tests, and that's all industry has. Thank you. Does anybody have any questions? Thank you.

BRADLEY: Going once, going twice. OK, third speaker, Ben Richardson, counterintelligence and security in the Office of the Undersecretary of Defense for Intelligence, will give the update from DoD as the [NISS?] executive agent. Ben?

RICHARDSON: Hi. Good morning. Thanks, Mark. (inaudible). Don't take it personally.

BRADLEY: (inaudible) [as usual?]. Thanks for coming.

RICHARDSON: Thanks, Michelle, for that great update. You covered a lot of things in there. I'm just going to go through a few quick updates, and then, if you have any specific questions on what she just went over, we can always get into those. First off, I'll echo your comments, Michelle, about having such a great, busy year. There's a lot going on right now in this space, which is a good thing, and I just want to make sure everybody is aware that there's no way that we could be accomplishing everything if it wasn't for the cooperation of all the government partners in the room and industry partners, so thank you for that. Highlighting DSS in transition, there's a lot going on there, so I appreciate the collaboration between DSS and industry on that front. Insider threat has been very much a success. We're leaning forward to (inaudible) the next stage of this, as Michelle -- as you mentioned, but over the past year there has been a lot of success of implementing that requirement. You know, DSS [briefed out 98?] percent implementation there, so I think that's a huge success for everybody. We appreciate that, and, of course, the NISPOM rewrite has been ongoing in all the working groups associated with that, so that has been a big part of this past year, so good on everybody for working on that and continuing to move it forward.

A few quick updates, 254 [Form?] has been moving forward. OMB has approved the updated form. That should be available by the end of the week for people to download and interact with government and industry to see that form. The biggest change in the update there is that the instructions were kind of added into it, so it'll be more consistent because you'll have the constructions added into it, and industry has looked at this and seen it as we've moved it forward. So it's finally approved, and we will have that out here shortly on that front. On the NISPOM work that's been going on there, it has been under coordination with the stakeholders throughout the NISPPAC. Our goal was to start USDI internal coordination in the second quarter of FY18, so here, at the end of the calendar year, we'll move that into internal coordination, and we'll continue to keep everybody updated as we move that forward. Again, I appreciate the support on that to date.

The NISPOM change three and the SEAD 3 update, we have an internal DoD -- I think I spoke about this last time. We're working for internal DoD coordination on how we're going to implement SEAD 3 for -- internally to DoD. We'll have an internal memo coming soon. That implementation

will help us engage with industry on how we're going to implement SEAD 3 for industry. We will coordinate that with the NISPPAC to make sure that you can work with us on that. We don't want to lean too far forward on that because we're still debating and working with [ODNI?] on that piece of it, but what we're looking at is using this and looking at the self-reporting modules of that and using some technological solutions to actually move that, so also kind of relying on DISS's implementation there to make sure that we can properly move that with industry and inside DoD. Michelle, you brought up the personnel security [one?]. Thank you for the NISPPAC's turn on that and all of the support, for reaching out to -- I think you said -- 29 companies that you engaged on that front. That was a relatively short turn. I don't think you mentioned that. I think you guys did that in about -- less than two months, so that was a big help on our front. So we were asked last year to review how we deal with the cost for PSII for clearances for industry, how DoD manages that. We've had appropriations historically for that. We've studied this for a very, very long time, maybe five times in the past, you know, whether or not there should be another way of spending or funding that, whether or not industry should pay for it or it should be applied to the actual contracts

and the program office should pay for it. Right now, it's done through a survey process where DSS goes out, surveys industry, gets an expectation for what the costs are going to be in the [out?] years for clearances for industry. Once that's done, they put that into appropriations, and we get a [FIDUP?] that actually sets that out.

The conversation in the department based on feedback about different models to pay for that has been diverse. It's still getting debated. That's why I haven't shared it out, you know, with industry. We have briefed a couple of senior levels. There are a couple other senior-level briefings that are going to get briefed out on that. Opinions have been varied, so before releasing something out and saying, "This is the way we're leaning," then it's going to shift and change to the other direction. But I will say, as we look at this problem set and we look at how it has been funded, we're not trying to solve the background investigation issue, the larger background investigation. That's not the goal of this. You know, the backlog of 700,000 or whatnot, that's not the goal here. We are -- but we're not doing the -- we're not looking at this issue in a vacuum at the same time, so we're making sure we realize that there's this larger background

investigation issue going on and how to correct that and how to bring down the backlog. We're just looking at it more from the perspective of how do we tie costs to a contract with a consideration for the background investigations that are associated with that. That's not easy. People that have clearances associated with a particular contract are also working on other contracts where they're already cleared, and they're doing it for different agencies. And that's why, I think, a lot of times, when we've looked at this same problem set in the past we haven't really made any major changes to it because you end up with the same problem set. There's also -- if you're looking at how many people are cleared in industry and how to drive down that, you know, the number of clearances out there, there have been efforts in that. DSS has participated in that. Internal government, we looked at that issue for government individuals with clearances. The overarching issue there, I mean, for the department, a lot of our service contracts or the number of people cleared or defined by the government is not defined by industry, so, you know, putting the costs on industry doesn't move -- doesn't change that needle, doesn't move the conversation at all. So a lot of different factors come into play as we look at how to approach this problem

set, so we'll keep everybody informed as we move forward. I mentioned yesterday at the DSS engagement, as we move forward on this, if there's any more feedback from industry we're more than willing to take it. As soon as I can provide even a draft kind of status of where we're at, I definitely will, white paper format or not, if that helps. And that's the update for DoD. Any questions?

M: From a standpoint of (inaudible) --

BRADLEY: Can you identify yourself please?

M: Oh, Tony (inaudible). With the meetings with the government (inaudible), have you tried to take it a little bit further there based on having them project? I mean, we in industry are seeing all of these potential [big-line?] acquisition programs that are going to be (inaudible), and that is driving the (inaudible). If they can truly define the technologies and everything that they're looking for, that can kind of help project where we're trying to go (inaudible).

RICHARDSON: Yeah. So it's kind of an interesting thing there when you had that conversation, because industry does -- and I think it's reflected in the surveys and how accurate the surveys have been over the years, because they're doing so much business development work. They're actually looking at what the expectations are for contracts being

[let?] over the next year or the next couple of years. So, as they do that, that flows into the surveys, and we get that. It would be the same thing if we -- we're having the same convers-- internal to government, how well can we look at that? We know the big programs that are going to get let next year. The longer -- (inaudible) was the one from a couple of years ago. That's the big one being let. What are we -- what's the expectation for clearances associated with that? So, yeah, that's part of the conversation.

BRADLEY: Anyone else have anything for Ben? OK. Thank you, Ben. Now, I'll turn to Valerie Kerben, who will provide a SEAD policy update. She is from the Office of the Director of National Intelligence, security executive agent update, 10 minutes.

KERBEN: Thank you, Mr. Chairman. As you all might know, the DNI is the security executive agent who sets security policy for the whole community, so I'll just give you some updates on SEADs, which are security executive agent directives. From our last meeting in May, I talked about the SEAD 3, which is the reporting requirements for personnel with access to classified information and those who have -- those who are eligible for sensitive positions. So, since that time, this directive has become effective. It was effective in June, and we're working with all of the

agencies and seeing where they are in their implementation plans and their programs. There are varying degrees, of course. It is dependent upon resources, and we're working with agencies. We've also hosted a forum for agencies so they're able to see how other agencies are using, doing their program, and sharing some best practices, and we're clearly engaged with industry, too, in trying to help once this all gets implemented within the industry. The reporting requirements are for all collateral clearances as well as the SCI community.

The other SEAD is security executive agent SEAD 4, which are the natural security adjudicative standards. They were also effective in June, and this is the single common adjudicative standard for all government agencies, and it's for those, of course, who require access to national security information and those who are also eligible and in sensitive positions. So, of course, it's requiring all agencies to use these common standards, so it helps out for reciprocity. The next one is SEAD 6, which is hopefully in its last stage at -- we work with OMB and OIRA to go through the coordination process with the agencies, and we have gone through a few rounds of comment and adjudication. Right now, we're just awaiting OMB's final clearance, and,

once we get that clearance, we'll go up to the DNI for signature, and then it will be distributed to the community. This is on continuous evaluation, and, as we know, continuous evaluation is also going to be done on those who are eligible for access and those who are [in?] access, and it's done on a continual basis through people's eligibility. It's done within the time frame of the reinvestigation requirements. And then, we are also working on SEAD 7, which is going to be for reciprocity. So we're going through our last stage of informal coordination within our agency, and then it will go out to the government agencies who participate on our security advisory committee, and they will then comment, and we'll adjudicate those comments and then, hopefully, have it ready out for the community. There is no timeframe right now set for when SEAD 7 will be available. OK? Thank you.

BRADLEY: Anyone have any questions for Valerie? Sir, identify yourself.

M: (inaudible), industry. Valerie, SEAD 7 is for personnel security, or is it personnel security and physical security?

KERBEN: Personnel security.

M: Thank you.

KERBEN: It's for investigations and for reciprocal eligibility determinations.

M: Thank you.

PANNONI: Valerie, I have a question.

BRADLEY: Identify yourself, [Greg?].

PANNONI: Oh, I'm sorry. Greg Pannoni, ISOO. With regard to SEAD 3, have we given consideration as this gets implemented, when it comes time for the person to update their [E-QIP?], just to simply say yes to that question of foreign travel or foreign contacts since, theoretically, all of the report should have already been filed?

KERBEN: Those types of technological-type things are being worked on. We know we're working with MBIB and DSS and the [PAC?] on doing some sort of electronic reporting through the kind of [e-app?]. So I know it's on everybody's radar. I'm just not sure when it's going to be ready for release.

PANNONI: Thank you.

BRADLEY: Anyone else for -- yes, ma'am.

F: (inaudible), industry. Valerie, I just wanted to clarify, when you talk about SEAD 3 and SEAD 4 and you say that it's for people in positions of sensitivity, does this include industry, (inaudible), fitness, people who have that kind of determination?

KERBEN: Yes, it does.

F: OK.

BRADLEY: OK. Anyone else for Valerie? All right.

KERBEN: Thank you.

BRADLEY: I'm going to next turn to Fred Gortler from DSS who will give us an update on the latest DSS initiatives.

GORTLER: Thank you, Mr. Chairman.

BRADLEY: You're welcome.

GORTLER: As you said, I'm Fred Gortler from DSS. The industrial security risk environment is challenging, and DSS is changing to address it. As most everyone in this forum knows, where we once concentrated on schedule-driven NISP compliance, we've begun a movement to an intelligence-led, asset-focused, and threat-driven approach to industrial security oversight. Also, as we've discussed in this forum on numerous occasions, the methodology that we're using really looks at the asset at each facility and establishing tailored security programs and applying appropriate security countermeasures based on the threat. I appreciate the positive remarks from Michelle, and I would need to add that it has been with tremendous cooperation with a number of government agencies and across industry that we've been able to make that progress, particularly in the last year. If you've got a government contract, if you're a government contracting agency or a

risk [owner?], well, you're involved. We're working with you. As for industry, as Michelle's slide indicated, we've got great involvement with 18 folks in the core group and 40 in the focus group, and that's deeply appreciated. Given this, we'll be invited government stakeholders to attend a meeting to learn in detail about the overall methodology as we press forward, determining who best from their agencies should be involved as we move forward. We've got formal invitations going out in the next week. Government agencies present here who are interested can contact DSS, [Andrea Brett?], at our change management office, and any of the DSS folks can give you more specific contact information. By the way, this is not only DoD but non-DoD agencies as well.

The next topic is the national contract classification system. Our subject matter expert on that, Lisa, is here and will be talking more about it in a little bit, but, as an overarching remark, it's the central system to create, certify, and to store the [DD?] Form 254. It fills in the information gaps that exist today in a number of the classified contracts, requirements, and clearance [supply chain?]. And while this was envisioned before DSS in transition was conceptualized, we see it as a key component

of that initiative. The next subject is continuous evaluation, and I'm joined by our subject matter expert Heather Green to my right. The CE operational mission for DoD was transferred, as most know, to DSS in January of '17. Individuals with DoD affiliation eligible for access to classified and with assigned [SF-86?] dated 2010 or later represents the population. DNI-CE standards require automated records check covering seven data categories: terrorism, foreign travel, suspicious financial activity, credit activity, credit, public records, and eligibility. We'll continue to add more data sources as MOUs and technical solutions support it. We're working with the NBIS and DMDC for development of requirements in DISS and MIRADOR, and this also includes [e-app?]. Currently, 1.1 million are enrolled in CE, of which 300,000 -- that's 27% -- are industry. I'll leave the particulars to Heather Green, but, overall, 21,000 records, approximately, received -- CE alerts received. Of those, about 6,500 validated. That's 4,200 closed favorably, and a risk eliminated with a revocation of 52 clearances, and that's for results since January of 2017.

I'd like to make an honorable notification of someone who is on the phone line. George Goodwin, DSS policy and well-

known to most everybody here, will be retiring at the end of the calendar year. At his retirement, he will have completed over 49 years of service combined between military in the United States Air Force and civilian careers with the Department of Defense. His service to the NISS spans 28 years combined between industrial security representative, field office chief, and policy action officer roles. George has been a foundation supporting both government and cleared industry on matters involving NISS policy and on implementation. If anyone is interested in helping to honor George in December, give us a shout. We thank you for the opportunity to make this a part of the formal record here.

BRADLEY: I think we ought to stop right now and clap
(inaudible). (applause)

GORTLER: Thank you. George, that's for you. Well, Mr. Chairman, I think that's about everything. We'll have our subject matter experts prepared to handle any level of questions, and then we'll be followed by Lauren with the requested update on NISS.

BRADLEY: Thank you, Fred. Any questions for our DSS expert? All right. Lisa Gearhart from DSS will provide an update on the implementation and deployment of the NCCS.

GEARHART: Good morning.

BRADLEY: Good morning.

GEARHART: Great. So (inaudible). First of all, I wanted to thank Michelle for the comment on NCCS. As a note, we are looking at the knowledge center as being an option for industry to call or anybody to call in. There is a DISA DLA help desk that is noted or that is set up to handle technical types of questions, so whether or not we just have it automatically route it to this help desk or not -- but that is something that we are working on right now, so thank you for that comment. I appreciate that. So NCCS, I just wanted to give you a quick update. We are currently in phase five, proud to say. We have 30 government agencies and 98, as of yesterday, industry partners that have registered and are implementing NCCS. As far as the FAR clause and mandated NCCS, I was informed that ATNL has been delegated authority to start moving some of those FAR clauses into the public comment review, so hopefully that will be out shortly. Secondarily, we have a USDI memo that is with USDI currently for staffing, so hopefully that memo will come out sooner rather than later and mandate for DoD components that they have to use NCCS. Next slide.

So I wanted to give you a snapshot. Again, this is one of the reporting tools within [wide area workflow?] called

MRS. It actually has reporting capability to show the agencies that are using NCCS as well as the types or the numbers of documents that are being implemented within NCCS. So, as of today, which is in the green section, I actually pulled up -- this is from last June when we started phase one or our initial operating capability kind of pilot. Currently, we have six facility clearance sponsorship requests in NCCS. We have over 425 prime 254s in NCCS, 20 solicitations, and seven subcontract 254s. So, as you can see, we do have agencies and industry partners that are using NCCS. And then the first pie chart, if you will, is broken down by DoDAACs or location codes, as wide area workflow has termed it. It's kind of hard to understand because some of the agencies are actually lumped just based on their DoDAACS, and we have, again, 30 agencies that have registered, so, predominately, most of those are government. And then, the bottom pie chart will actually show you the different types, the larger one being the prime 254s, and that's all I really have to report. If anybody has any questions, I'll be more than happy to answer. Great.

BRADLEY: Thank you, Lisa. I appreciate it.

GEARHART: Thank you very much.

BRADLEY: Yeah. All right. Next, another DSS speaker, Lauren Firich from DSS will provide an update on the deployment of NISS.

FIRICH: Hello. Good morning, everyone. Lauren Firich, DSS headquarters. So, today, I will be providing an update on the National Industrial Security System, the NISS. So what is the NISS? It is the system that will replace and expand upon our two legacy systems, ISFD and EFCL, so some of the key capabilities I'll go into. For government, you will be able to submit and view your sponsorship requests. So, within the NISS, we've automated that facility clearance process, so any time you need to submit an initial clearance request or an upgrade you will be doing so through this system. Additionally, you'll be able to continue to submit those facility clearance verifications to verify FCL, safeguarding status, and things like that. Now, for industry, some of the key capabilities, you will be able to message your industrial security representative within the system, and this is a key benefit because for some of those more sensitive communications that may include PII, security violations, you will be able to do this within the system instead of through unsecure email. You will be able to continue to submit change conditions

within the system and submitting your annual self-inspection certification. You'll be able to view facility information, so we are providing industry with an increased visibility of some of the facility information that DSS captures, and you'll be able to provide us with updates to that information, things like employee counts, safeguarding documents, so that DSS has the most up-to-date information. Finally, if you are a prime contractor sponsoring a subcontractor, you'll be able to do that within the system as well.

Now, some specific benefits to personnel clearance, timeliness, so we do expect upfront data integrity because of the system, because of some of the business checks that are built in that we will be getting more accurate key management personnel or KMP lists so that our facility clearance branch is able to put those individuals in process for PCLs quicker. We are -- we have automated the FCL package and change condition process, so if there are any impacts to the KMP list those will be given to DSS quicker. One example of how we've streamlined that initial facility clearance process is that there's an automatic notification from the field to our facilities clearance branch once the KMP list is approved. So, right now, when

industry submits their KMP list, someone in the field reviews it, approves it, and that is a manual process for that rep to then turn around and send an email, a phone call, to our headquarters so that those individuals can be placed in process for PCL. So this is one example of how the system is automating that step. We will continue to provide extracts to JPAS for [CAGE code?] and facility data and [KNP?] data, and in the future system enhancement we plan to have a true system interface with DISS where we'll be exchanging information. Next slide.

So an update on implementation status, on September 28th we did go live with a soft launch state, so we are in a soft launch state, which means that NISS is sort of in a test state, and ISFD and EFCL remain the systems of record. NISS is live and available for DSS and government users, and right now industry is unable to register, but we hope and we plan that industry will be able to register in the coming weeks. We're fixing a key system bug right now that will enable industry to be able to register. There are a few quotes and feedback already that we've received from some of our government partners explaining how they like the system. They think it's more smooth and intuitive, so we appreciate that. We did deploy an update yesterday, 31

October, soft launch 2.0, and that's a new patch to the system that has remedied some of those critical issues identified by the community.

Now, as far as full deployment, I know that was a question by industry earlier, so we plan that by the end of this calendar year we will be able to do a full switchover where NISS will become the system of record, and we will turn off ISFD and EFCL. When we are able to get industry in the system for that soft launch period, we want to give you some time to experience the system, submit system feedback, so once we've established that enough time has passed we will provide that final date for the full cutover for NISS to become the system of record. And 2018 and beyond, as I mentioned, we are going to have that interface with DISS as well as NCCS. Training was also another question. Right now, there are training video shorts available within the system, so, when a user logs in on their dashboard, there are some video shorts, and we are wrapping up and finalizing a full external training course available for government and industry members. Right now, we're finalizing that, and it should be ready in the next month. We have some industry members and DSS personnel who are testing that. It's in a beta state right now. We continue

to communicate with the community, and we are sending email blasts out, so anyone with a current ISFD, EFCL user account should be getting those emails as well as industry, FSO, and other security staff contacts. If you have any questions, our email is posted, DSS.NISS@mail.mil, and are there any questions?

PANNONI: (inaudible). Thank you for the briefing. Would it make sense at some point as far as an upgrade to have a space where folks could share best practices or something like that among the various contractors for a system like this? Oh, Greg Pannoni.

FIRICH: Share best practices in what sense?

PANNONI: So almost -- you know, I'm not a techie, but I'm just envisioning this as something where the community could have a place to go and simply share best industrial security practices.

FIRICH: OK, in general, like a forum or --

F: Like an extranet, but embedded within NISS?

PANNONI: Yes.

F: That's actually a really good idea, Greg. (laughter)

M: You sound surprised.

PANNONI: Yeah, once in a while I come up with something.

(laughter)

M: Was that (inaudible)?

FIRICH: OK. Yeah, so I can take that back, and we can look into some sort of module where users are able to comment and leave best practices. Yes, thank you.

BRADLEY: OK. Anybody else have any questions for Lauren? All right. If not, we'll take a five-minute break and ask you to please come back promptly. [01:04:36]

(break in audio)

BRADLEY: [01:04:55] OK. Time to take your seats. (inaudible). OK. (background dialogue; not transcribed). OK, let's please be seated. (inaudible). Yeah. Yeah. All right. OK. OK, let's resume. Again, we're on a fairly tight timeline. We're maybe just a shade ahead, but let's just keep on moving to make sure that we can get through everything we have to do today. All right. We're going to now turn to Nick LeVasseur -- I guess that's right, French, anyway -- from DMDC who will provide an update via teleconference on the deployment of the DISS. Nick, are you there?

NICK LEVASSEUR: Yes, sir.

BRADLEY: OK.

LEVASSEUR: Good job on the name, too. It was pretty close. It is French.

BRADLEY: OK, my friend. Good. Good.

LEVASSEUR: OK. So I'm just going to touch on a couple of high-level items for the deployment of DISS. I know, everybody, we've been talking about the system now for a couple of years, and I've briefed at several of these industry events, so I'll keep the basis of what DISS is down. So, to discuss a couple of topics that I know are always at the top of everybody's questions, the deployment information, I know that you guys have been receiving the information that third quarter of FY18 you should be deploying. We are still on target for that scope. We deployed (inaudible) for the state back on March 31st of 2017, so they've been operating within DISS since that time. Our next scheduled deployment is for Air Force, Navy, Army, as well as the (inaudible) 12 missions, which we currently have scheduled for December. However, we are in discussions with the [USDI?] and the DoD CAF to determine how the holiday season would affect a large population deployment like all the (inaudible).

Industry, again, third quarter, we're looking at around a May timeframe. That has not changed. We're still pushing out different development releases at this time, and we have these scheduled all the way out until well past

industry going live. So what we mean by these development cycles is we are receiving several change requests, most of them coming from the DoD CAF at this time, but DSS and the (inaudible) have done a great job of collaborating with industry and getting additional change requests placed into the system based on what the industry users -- their needs are. So we're not just taking the opinions and the efforts from government personnel, but we're also working with DSS who has established that working group from industry to get these through.

I think it was discussed earlier by DNI, but the CE requirements, we are -- I'm sorry. That was DSS. We are still working with the (inaudible) CE [cell?] as well as Heather Green on getting a good CE requirement document drafted up and signed. Some of the things we're looking at are the workflows within the current system, MIRADOR, versus some of the capabilities that we have within DISS. We have already updated the system for SEAD 4. In terms of SEAD 3, we do have a self-service module. It is not up and operational at this time. We are still identifying additional ways that we can use that self-service module for industry as well as any kind of an interim solution to have self-reporting identified within the system at least

by the FSO. We are still (inaudible) the interfaces as NISS reported. We will be doing an interface with ISFD -- I'm sorry, not ISFD -- with NISS in order to transfer that facility clearance information as well as that KNP. In the interim, we will still continue the process that we're doing today, so the system will be update as is. And just to go over the deployment cycles, we do have the two different phases for deployment. During phase one, (inaudible) system of records, those ISFD updates and those NISS updates will continue to occur within that system. But once we deploy industry, we're looking at potentially a 90-day different between when you guys deploy and when we do the official system of record transition. So what that means is, after industry deploys, we have all those users, all the adjudications are current, and we have all documents within DISS. That's when we will start decommissioning and sunseting JPAS, and all actions will be done in DISS. Until that time, once you guys go live for that 90-day period or so, what we're looking at is dual system use. The DoD CAF will be working out of CATS as well as DISS, and then industry and the [facility security?] officers will be operating out of JPAS as well as DISS. The good news in that scenario is that the MILDEPs will be operating out of both systems longer than

industry, but we would rather have nobody operating out of two systems at any time. Unfortunately, with the system deployment and switching systems completely, it's impossible to be able to do a clean cutover on one day.

I know, Greg, your recommendation regarding a feedback mechanism within NISS. I'm actually going to take that one back myself and see if we have that capability. Well, I know we don't have that capability in DISS today, but I'll see if that's something that we can [push for?] in the future. And in the interim, if we just even have an email box that we can get to so that you guys can submit your feedback that way, that would still be more beneficial than just relying on these industry working groups where there might be good idea out there, but they just don't know how to connect the dots to get them up here. And lastly, the training, so, Michelle, I completely understand, and I've heard your guys' requests for additional DISS training. At this time, we have worked with [OUSDI?] as well as [CDSC?] to determine how we can get this accomplished. This is still under discussion with OUSDI and CDSC. I believe Mr. [Torres?] stated at the last stakeholders group that he had instructed CDSC to include DISS training or system training within the personnel security course, but that's the in-

person course at CDSC, and I don't currently have a status on where we are with that. We definitely do not expect it to be live when we deploy, definitely not for the MILDEPs, and probably not for industry. We do, however, have a couple of the training shorts similar to NISS up on the CDSC website, and we also have the user guides behind the systems. So once you log in, the [user guides?] are readily accessible, and you will be able to search through those to find the exact information you're looking for, to include the screenshots, the step-by-step, "This is one, two, three, four, how you do this action." The system is very intuitive with its own (inaudible) and workflows. So hopefully upon deployment -- I understand that we might not have the DISS training available, but, hopefully through the systems capabilities as well as the user guides and as well as that wizard functionality, then the impact won't be too great. And then, I guess I will open it up for questions at this time.

BAUGHER: Hi, this is Kim Baugher from the State Department.

Are we on the schedule to get this system? We've not been very successful with JPAS, so I'm just wondering. You mentioned industry and DoD components. Where are we on the schedule for deployment as well?

LEVASSEUR: Right. So industry is on the deployment schedule for FY13 -- I'm sorry -- (laughs) third quarter of FY18, so we're looking at a May timeframe right now for industry, and all the other MILDEPs are December.

BAUGHER: So what about other government agencies besides DoD? Where are we on the schedule?

LEVASSEUR: Which agencies are you referring to?

BAUGHER: State Department and about 30 other non-DoD agencies, not that I represent them.

LEVASSEUR: No, sure, understood. So we are still discussing with the PAC. We are still going to go through on having these federal -- the rest of the government discussions on how to incorporate them within DISS. I know one of our upcoming requirements is including the CDS function, so the [CCDS?], which would be that -- DISS would be that system of records to also house other agencies' adjudications as they input those. In terms of the cost model and information regarding when we're going to include those other agencies within the system, that's something that we've been discussing with NBIS now, NBIS, for a while. We are still trying to flesh out a timeline and any kind of legal or privacy issues that we may have to address with those other agencies. So I know we're working with a few of them right now. The [Department of State?], I believe,

has reached out recently, so we definitely owe some answers back, and we will continue to work with the PAC as well as NBIS to get that joint coordination effort completed. So just stand by for more information. I know that was just a lot of words and not really an answer, but unfortunately --

BAUGHER: Pretty much. (laughs)

LEVASSEUR: -- that's what I have at this time. We'll get you more.

BAUGHER: OK. Well, I'm not going to hold my breath, because I'd be dead by now. OK, but thank you.

LEVASSEUR: You're welcome.

BRADLEY: Does anyone else have anything for Nick? Nick, thanks a lot. We appreciate it.

LEVASSEUR: [All right?]. Thank you.

BRADLEY: OK. We're now going to turn to Mark Riddle, a senior program analyst of mine on the CUI program. Let me make one administrative comment here. The technical expert tells me that those of you who are sitting in the back, when you asked a question we're not picking it up. This room was built in 1935. The acoustics are good, but they're not great, so if you have a question in the rear would you please come to a microphone? All right. Thank you. All right, Mark.

MARK RIDDLE: OK. Hi, I'm Mark Riddle with the Information Security Oversight Office. I'm going to talk to you about an update on the CUI program and its implementation. Currently, as of today, agency annual reports are rolling into ISOO that report on agency status related to implementation of the CUI program. Projections right now based on the data cull that we issued in May of this year and what we're seeing so far from major agencies is that the implementation of the program will take place over the next three to four years. Right now, agencies are focusing in on leadership, policy, and leadership designation, designating senior agency officials and program managers and also program staff to support the implementation of the effort, the development of policy, which includes identifying all policies that currently prescribe protective measures for sensitive information and targeting them for modification to align to the standards of the program. The same thing goes for training. Once an agency has a policy in place, they are going to be modifying or developing new training to inform the workforce on what it means to protect a CUI.

With that, moving into CUI Notice 2017-01, this is guidance that we issued earlier this year to agencies to kind of

help them get their minds around what it takes to implement the CUI program. So we cover everything in this notice from program management, who the usual suspects should be to lead the effort for implementation, where to look for policies. One of the misconceptions related to policy within an agency is that it's one policy that will implement the CUI program when, in truth, it is multiple policies. Every policy and procedure within an agency that prescribes or calls for sensitive information to be protected has to be modified to align to the standards of the CUI program. Going back a little bit to training, if you look inside of CUI Notice 2017-01, you'll notice that we are recommending and calling for the development of four distinct types of training for the CUI program. Because the program is going to be implemented in faces, meaning that it's not all happening at once and it's resource-dependent, when agencies receive resources, they're likely to implement faster. This calls for a special type of training to occur right now within agencies, and this is that setting the expectation of what's to come type of training, speaking to when the agency is planning to implement, and also how to handle information in the interim.

Right now, we do have a number of agencies out there, large and small, who are on the verge of having finalized CUI policies, either issued in January of fiscal year '18 or by the middle of next year. So what that means is that implementation will start to steamroll because that's really the jumping-off point for agencies to start making everything look like CUI, everything from systems transitions to training modules and also designated officials for the program. Check it out. It's available on the CUI registry right now, and it gives you insights as industry into what the agencies are doing right now to implement this program. The Federal Acquisition Regulation, this is something that ISOO has been working on for probably the past nine months with an interagency group. This acquisition regulation will standardize how agencies convey safeguarding guidance to industry. It's projected to be out for comment within the next couple of months but finalized sometime near the end of fiscal year '18 or early fiscal year '19. Also, in the meantime, ISOO is also working on issuing a notice that speaks to the structure of agreements. You know, if an agency were to enter into contracts or agreements, there are certain elements that need to be addressed as far as CUI goes, so

this notice should be out sometime early next year if not sometime in December.

Now, of course, if you haven't been the CUI registry and our training page in a while, you wouldn't be aware that we have released a number of training modules specifically in YouTube format. We've released nine videos that address various elements of the CUI program, everything from an introduction to marketing to how to protect CUI in the physical, the electronic environments, the concepts of lawful government purpose, the decontrol of CUI, just to name a few. It's definitely worth a look. Right now, indicators from agencies are that they are using these training modules to help raise awareness about the program and also to educate the workforce when it comes time to actually implement. What agencies are doing, since they are in YouTube format, is they're downloading them from YouTube and running them off of their learning platform so that way they can record completions. Right now, ISOO is actually working on developing a number of additional training courses to help agencies train their workforce. Right now, the videos that are posted are modular, meaning that they address certain topics. They're anywhere between five and 10 minutes long, but we're working on a more

encompassing training module that will address all elements of safeguarding information from its designation through its handling, all the way down to its destruction. Overall, the video is expected to be about 20 minutes long, but it would be satisfactory and meet the basic training requirements for an agency if it was used. They are optional for us. Agencies don't have to use these modules. The PowerPoint presentations, the talking points, the transcripts are available for agencies to take and cannibalize and adapt to their agencies if they wish.

Also, ISOO in the past week has recently published a blog for the CUI program. The website is there on the page, but any search engine, if you typed in "CUI blog," you would be able to pull this up. What you're going to find on the CUI blog are frequently asked questions and discussion rooms about the CUI program. We kind of start the conversation in regard to things about the CUI registry and its intended audience or frequently asked questions in regard to marking or even Exemption III in the Freedom of Information Act. It's definitely worth a look. You can subscribe to it just by going to the website there. This is going to be our primary means of communication to our stakeholders, agencies, and industry, and also academic institutions in

regard to the program and its [element?] and its implementation. So if anything new happens on the CUI program, if a new category is added, removed, or a training module is added, you name it, it'll be posted to the blog, and you'll get an automatic update on it.

One of the notable things that you'll see on the blog now is that we have scheduled a date for our upcoming briefing to stakeholders. It's scheduled right now for December 6th, 1:00 to 3:00 Eastern Standard Time. All subscribers to the blog will receive the call-in information and the virtual room links to access the information. It'll be a two-hour session where we go over everything about what's going on with implementation, strategies that folks can use to prepare for the transition to the CUI program, and also frequently asked questions, new products that we've developed, and training modules that we have on the horizon. I think that's about all I have right now. I mean, there's definitely more that we can talk about in regard to the CUI program, but I'll open it up for questions that folks have. I'm happy to engage with you. If you don't want to have your question, you know, on the record here, you can shoot me an email or post it to the -- or send something to the blog. We'd be more than happy to

respond to you. My email address is mark.riddle@nara.gov. Also, we have a generic CUI email address. Most of the mail that goes to that address ends up at me also, so it's cui@nara.gov. That's the email address. So do we have any questions?

M: (inaudible).

BRADLEY: OK, well, I'm not going to open up the target on this guy. (laughter)

RIDDLE: I appreciate the no questions.

BRADLEY: You had your shot at him. OK. Thanks, Mark.

RIDDLE: Thank you.

BRADLEY: All right. We're now going to turn to Greg Pannoni, my deputy, who will give a brief status update and revision of NISS implementing directive formerly known as 32-CFR Part 2004. Greg?

PANNONI: OK. Thank you, Mark. So I have good news. We are making progress on the 32-CFR Part 2004, which, as you know -- the executive order for the NISP speaks to having an implementing directive, and ISOO has that role to issue it as the entity that oversees the implementation and monitoring of the NISP. And, of course, our overarching goal is, as the order talks about, a single, integrated, cohesive program, so that's how we attacked updating the directive, which -- the initial one was done -- I think it

was 2005. The good news is that it has finally cleared a process that OMB, I believe, started during this administration of looking at regulations, even existing ones -- certainly existing ones that are considered significant, which this one is -- in terms of the burdens on resources and costs. So it has gotten by that hurdle. It has been determined that it doesn't provide any additional increase in administrative costs and resources. It went out last week -- I think it was the 24th -- for a three-week -- November 13th is the [suspense?] date, limited interagency review, to 16 agencies. Most of you in this room, certainly all of the CSAs, were to receive it for any final comments, because this thing has already been through public comments, and the draft is available. If anyone wants to see the draft that doesn't have it, we can certainly provide that. Industry worked with us, and other government agencies collaborated to get where we are. So I'm not going to really go into, given the time schedule, the changes other than to say that it started because the insider threat program came onboard, so we had to implement that in terms of how the government interacts with industry vis-à-vis insider threat requirements. It also -- we took this opportunity to look at where all these government requirements exist, and, interestingly enough, most of them

were in the NISPOM, which really is the document for industry to follow. So we extracted quite a few of those, things like [foci?] mitigation, even vetting, entity eligibility. We did come up with some common terminology that all CSAs would be more in tune with because, for example, the facility security clearance term is not one that's used by the other CSAs. So that, in a nutshell, is where things are. We're hopeful that we're have this back and out soon, but, that said, this really is an ongoing process. We will continue to look at the directive. In some ways, we already are, in some of the areas, to continue to refine it, to create greater efficiencies for how the program is implemented. Any questions?

BRADLEY: No questions for Greg? Thank you, Greg. I appreciate it. We're now going to turn to our working group part of the meeting. The first one will be a report on the NISP information systems authorization working group. Karl Hellman will report from DSS. Karl?

HELLMAN: Thank you very much, Mr. Chairman. I appreciate the time. And just first, as you see, my slide says "the NISP authorization office." Let me step back. I'm Karl Hellman from DSS. This authorization office is the office that I manage, but I will tell you that the NISA working group, the priorities and the projects that we work on in that

working group are exactly the same as the priorities and the projects that my office works on. So I'll give you a brief update on where we are with our transition into the NIST risk management framework for information systems. As we've been discussing since February of this year, January 1, 2018, we will require that all industry classified information systems be authorized using the NIST RMF security controls. As with our first phase of our transition where we did just standalone systems, if you have an existing approval to operate under the old terminology or authorization to operate under the new terminology, if you have an existing ATO, that ATO will remain in place and [in force?] until the date listed on that letter, so it is not a resubmit beginning January 1. It is a submit under the new controls when your existing authorization expires.

The next part to talk about would be our process manual version 1.2, and I will tell you that this has been a very successful industry-government-DSS partnership in the development of that. And working with the NISA working group, we identified eight industry ISSMs who came into DSS and spent a week with us reviewing the process manual and what works and what doesn't work and what they read and

what makes sense to them in coming up with our new version to be released, so we took a lot of lessons learned with that. We had our draft out for coordination within -- from the NISA working group. Folks spent about four weeks providing us comments. We got a variety of comments from both the industry and government and within DSS, and I think that the version will probably be released -- bless you. The version will probably be released by the end of next week before the holiday, but we will definitely have it out by November 15th for it to go into effect with all systems, and I believe it will be probably one of the most well-received manuals that we've put out based on that partnership of getting feedback from the folks who have to read it and implement it, so that has been very successful for us, and it will be posted on our DSS.mail/RMV website, which is right off our homepage. It's the DSS RMV resource center.

Another old business item, some SIPRNet information for those facilities that have SIPRNet circuits at them, DISA had imposed a couple of new requirements. One is that username and passwords will no longer be allowed and transitioning to PKI tokens. That has seemed to have launched very successfully with a lot of good cooperation

between industry and the sponsors. And then, the last is the upgrading to the Windows 10 secure host baseline provided by DISA for all systems on the SIPRNet, and that seems to be progressing very nicely also. Next slide, please. A couple of new items, one of the things we always talk about is training for RMF and for NIST, so [CDSE?] within DSS is producing those. Those three new trainings will come out in the middle of November, and they've also got a fourth one, technical implementation of the assessment and authorization process, scheduled for the end of November, so we continue to produce some training. I know there's a lot of training out there on the NIST website, a lot of training within -- from industry and from government agencies on that.

Our last update item is the transition of us from our current assessment and authorization application, which is called OBMS, to eMASS. eMASS is a DoD application. It's a government off-the-shelf system developed by DISA to support the RMF authorization process. It's used extensively across a lot of the components and the DoD agencies for networks, systems, applications, transferring our industry partners to using eMASS. Already, the [SAP?] community has folks using that. It will allow us to

increase our reciprocity and provide a very stable, consistent manner in which government and industry implements the risk management framework and documents it in the process flow. Our target to move to eMASS is mid-2018. We are currently conducting a pilot of five facilities to document and recon-- process flow the differences between industry locations and government agencies. So we'll take our lessons learned from that, and the first two big parts for industry to know are the available training and the account manager structure, and we'll be putting that information out by the end of this calendar year as far as part of an SOP and how we start to step through this in our transition to eMASS.

So, before we move on, I have a couple of slides with some metrics. I do want to thank a couple members of ISOO, Alegra Woodard and Robert Tringali, who helped manage and support and coordinate and direct the activities of the working group. And I would say that I've been on the working group for about two years now, and we have come a long way in accomplishing a lot more. I think there's a lot more positive interaction based on the leadership that they helped provide, so, Mr. Chairman, thank you for providing that forum for us. One of the last items that

came up out of the last -- out of our working group and out of the NISPPAC is just some information on the metrics of how we're doing. So if we could go to the next slide, we're just doing some very basic metrics to let folks know about how many systems every month that we have to authorize, and that number is about 200 systems a month. That transition to the more security-intensive NIST security controls, we have lost -- probably about 25 to 30 percent of our smaller facilities have decided that they don't have the security wherewithal to implement that increased -- those increased controls. So we're seeing our numbers -- we'll probably end up with about 7,000 to 8,000 authorized systems at the end of this down from probably about 10,000. So we're doing about 200 a month, and then the big number -- sir, Robert, if you could go to the next slide -- is how long it takes us to do -- how long it takes us to make an authorization decision. And in discussions with the working group, they were very interested in breaking it down by region, so we have done that, as you can see. Our goal has been to make authorization decisions in under 30 days, and nationally we're doing that. We have had some resource and some turnover challenges in the northern region, which very -- was identified by industry and one of the reasons that we were looking at that, and

the metrics seemed to validate that. But you can see over the last few months, as we've gotten some hiring actions, we have some new firstline supervisors up in that region and a variety of new, on-the-ground folks. They're beginning to drive those numbers down, so we will present this information at all of our ongoing working groups and at the NISPPAC because, again, it gets down to -- the ability for us to get the systems authorized provides the ability of industry to work on the programs, which all of the components and the agencies are paying for. Sir, pending any questions, that completes my report.

BRADLEY: (inaudible) for Karl? Thank you, Karl.

HELLMAN: Thank you, sir.

BRADLEY: You're welcome. All right. Next is a report from the clearance working group. First, (inaudible) Greg Pannoni will provide a couple of updates on this working group as well as the insider threat working group. Greg?

PANNONI: OK. Thank you, again, Mr. Chair. So Michelle already commented a little bit on this. We did elect to change the name because the group has really expanded its focus beyond just looking at the process for investigating and adjudicating individuals for access to classified information. There are so many other pieces that we've looked at, vetting the entity itself, and different

elements that impact the entity eligibil-- I'm using entity eligibility determination because that's the term we're going to. So, when I say that, I'm saying facility security clearance, for most of you in the room, just to really reiterate that point. And I do want to thank all the members for the cooperative effort in bringing their data and their thoughts on the processes with a common goal of trying to make things better. As for the aspect and insider threat working group, which -- we did decide at a prior NISPPAC that we would combine the groups. We didn't really have a whole lot to say at this meeting, this last clearance working group meeting, simply because as noted there isn't a lot of activity just yet within industry as it relates to insider threat. Yes, the programs, by and large, have been established, but once the assessments begin, the government assessments, we expect to get more data that will give us more insight and more opportunity to come up with recommendations. For example, I believe Michelle mentioned earlier in the meeting the ability for scattered castles for automated data in there to be shared among the other CSAs. That would be something relevant if there was something of an insider threat concern that one CSA was aware of and other CSAs perhaps were not or certainly not in a timely manner. And that person perhaps

transitions -- that person that has been flagged transitions over to another contract in which they're involved with another CSA. That could be of concern, so I think, as we move forward, we'll start to address more things. So, with that, I'll just go to the rest of the group that is going to provide updates and stats on the various aspects of what we've been reviewing.

BRADLEY: All right. [On that group?], we have Valerie Kerben, ODNI; Heather Green, DSS; Steve DeMarco, DoD; and Perry Russell-Hunter, DOHA. All right. Take it away.

KERBEN: I am speaking on behalf of --

BRADLEY: (inaudible). Yeah.

KERBEN: OK. Sorry. Gary Novotny, who usually does this brief, because he is chief of the oversight branch. But this just shows you -- and I think we've shown it before -- the methodology for collecting metrics, so this is for us to ensure that all government agencies are following the same methods. As Charlie described, too, we're still trying to meet the metrics, and all the ISPs and [NBIB?] conducting background investigations [more?] timely. Agencies are responsible for submitting investigations in the 14-day timeframe, and the investigations do vary depending on the type of level of investigation, but the adjudicative methodology is to adjudicate in 20 days. I'm

going to provide to you the information regarding contractor cases. This is stuff that we received from DoD, DSS, and from the IC agencies. Next slide.

This, again, is just the methodology and how it evolved from the [URPDA?] and the PAC and then really just clarifying that these are all of the timeliness goals that we're trying to meet. Next slide, this just shows you the end-to-end results of the last few quarters. We don't have fourth quarter as of yet. We were just collecting them as fourth quarter just ended. What this just goes to show you is that all of the ISPs who report to us were all kind of in the same boat for, you know, the expanded timeframes it takes to get investigations done. Everybody is working together to try to mitigate that, and hopefully our timelines next quarter and in the future will show that we're going down. That's all I have.

BRADLEY: OK, next.

GREEN: Good afternoon. Heather Green from (inaudible). I'll wait for the slide to come up. Great. So, in fiscal year '17, we had a challenging year with surges, obviously, of our investigation submissions, which were directly related to budget shortfalls and constraints. Specifically, those constraints and shortfalls were due to OPM price increases,

credit monitoring fees, continuing resolutions, and an overall budget shortfall, which directly impacted our ability to submit industry investigations into NBIB. So you can see the ups and downs of our E-QIP surges and our metering, as discussed earlier, so the result was that we had an 11,000-case carryover from fiscal year '17 into '18. We are at a steady state for initials at this point in time by prioritizing our initials over our periodic reinvestigations, and we did meet our interim determination goal of 30 days. So at this point in time, we're averaging about 30 days to issue an interim determination. Next slide.

The good news is that we are fully budgeted for fiscal year '18 although we are slightly challenged by the current continuing resolution budget constraint, but we're working our way through that. We will continue to prioritize initials, and we'll maintain as close to a 30-day interim determination as possible through the CR. We will reduce our T3-R population, and we will begin incremental recovery of top-secret periodic reinvestigations to meet the DoD periodicity once the continuing resolution has been resolved. And, of course, we will keep industry informed of all DSS efforts to improve our timeliness, to eliminate

our metering, and to ensure that we get those interim determinations in a very timely manner. Next slide.

OK, so there was a request from the last meeting to provide a high-level [ROU?] process overview. So [PSMOI?] receives a daily average of about 150 ROUs. We're currently turning them around in approximately two to five days. As of this morning, we had 512 in our queue, and 134 of those were research ROUs. If the ROU can be processed or answered by PSMOI, then appropriate action will be taken. If the ROU requires a CAF action, then it is sent to the DoD CAF via CAT's ROU. The majority of our reciprocity requests are sent via the research ROUs. We do answer the research ROUs with a pre-formatted message indicating the request has been forwarded for verification, and, again, we work very closely with the DoD CAF for those reciprocity checks to ensure that they are handled in a timely manner. That's all I have for today. Thank you. Any questions?

BRADLEY: Next?

DEMARCO: Good morning. I'm Steve DeMarco from the DoD CAF, and I will be briefing you today on the DoD CAF workloads and timeliness. So, as you can see from the slide here, our workloads have stabilized for the most part. We have seen an uptick in the last six to eight weeks. Some of the

reasons for that are an increased workload coming in from NBIB as well as an increase of adverse incident reports. However, as you can see, our steady state has become about 400 per month on average for those cases that we are awaiting legal sufficiency review on. That is an end-to-end time or number of cases, so when we draft the statement of reasons until we get it back and send it out for signature. That includes all cases in that process, so you will probably hear from DOHA that their delta is a little bit less than that, but that's because we're reporting the entire process. They're only reporting what they currently have for their work.

Some of the highlights are that, for industry work, we are scheduled or assessed to go into DISS sometime in the third quarter of fiscal year '18. We anticipate that, with the spin-up for training, the actual transition into the system, working in two different systems for up to 90 days, that we will see an uptick in our backlog as well as our processing times. And that will continue for a few months until we learn to work in a new system. It is drastically different from the current system we're working in. It works -- functions differently, so we will see some, probably, hits to timeliness as well as backlogs. Also,

the backlog for industry is now less than one percent. It is actually 0.6 percent, so we have worked that down from over seven percent a few years ago to just about 0.6 percent now. Next slide.

So, as far as timeliness goes, in September we were at 17 days for PRs, and we were at 15 days for initials, for the adjudicative part of it. You do see peaks and valleys there. Some of those peaks are that there were some IT issues back in December and January where system -- cases were being stuck in the system. We were able to finally move those on, and then we caught up and brought the timelines down. Some of the other reasons you may see some peaks there are the blend of work that we work. Sometimes we'll put an emphasis on some of the older work to get it out if we're not having a lot of new work come in, so those older cases tend to have our timelines go up. We don't have the new cases to offset those timelines, and that is also in preparation for transitioning into [DSCATs?]. We want to transition the least amount of cases as possible when we have to from what we call [DSCOCATS?] into DSCATs, so we are concentrating on working down those suspense cases, those older-age cases, so we don't have to move as many in third quarter or fourth quarter of FY18. Again, we

expect this to impact the timeliness and the backlogs when we do the transition, but we will work through that. Next slide.

Some of our takeaways are that we continue to work with USDI and can focus on making sure we're postured for the future. We know that there is going to be an increase in the CEIRs coming in, so we are posturing for that as well as other missions that are coming into -- I am the chief of the industry division. I am picking up some new missions. We are now in my division working most of the SCI for contractors for [fourth estate?] and the components, so that's a new mission we've taken on in my division as well as non-NISP work, those cases that need a position of trust. So we're trying to consolidate all our work within four divisions. Anything that deals with industry will be worked in my division. We are, again, currently approaching relatively steady state. We plan to maintain that until such time as we go to DSCATs, and then we will see some effects from the transition. We also look forward to normalizing all our procedures post-DISS. Once we get our folks trained and have worked in it for a month or two, we anticipate that the speeds and the backlogs will decline

as we become more comfortable processing in the new system.

Next slide. Any questions? OK, thank you for your time.

RUSSELL-HUNTER: Mr. Chairman, NISPPAC members, on behalf of DOHA I want to just close out this working group discussion by saying that everything that Steve has said is correct and goes for me too. He is right that the number of actual cases with us for legal review is smaller. It's actually only 176, and, with the exception of cases that require another agency action for release or some issue resolution, we're actually returning all legal review cases within 30 days. So we're back on track, and that is very good news. The other thing that has worked out very well between DOHA and the CAF is the implementation of SEAD 4, which are the new adjudicative guidelines. I'm sure that ODNI has already talked about that. The biggest difference, obviously, for those on the receiving end of the adjudicative guidelines is that the foreign preference guideline has changed substantially. It changed to conform to the way that ICBG-704.2 had been written and that the intelligence community had actually been implementing for almost nine years. So, for that reason, this is a harmonization that should actually improve reciprocity. It also should simplify matters in that there are now more avenues for mitigation and, in fact, less disqualifying

information in that it is no longer on its face disqualifying to have a foreign passport, whereas under the previous collateral guidelines it was. That is a significant change for the better. It addresses the reality of the fact that we're managing risk individually rather than collectively with a one-size-fits-all approach. But, in fact, this consistency now of having guidelines that are the same for everybody allows us to be both flexible and, in terms of how we clear people, more consistent. So that's probably the biggest news that I have, and I will take any questions that you have.

F: I have a question concerning this. Perry, it's not necessarily for you. I think it's more for DSS. Industry does have a question concerning the mitigation of having a foreign passport. Has there been a determination made as far as implementation guidance for industry over if FSOs should still continue to retain passports for people adjudicated under the old guidelines?

M: (inaudible).

MINARD: I (inaudible). Keith Minard, DSS. We are working on guidance.

BRADLEY: (inaudible). Yeah, Keith, come up here (inaudible) make sure we record it.

MINARD: Keith Minard from DSS. We are working on guidance and coordination with USDI, so the guidance will mirror the DoD implementation guidance and provide specific instructions for the actions to be taken when the passports are returned, which would include -- as we're in the draft process now, the process for the instant report, that will come out in the form of an (inaudible) security letter that we're working on.

RUSSELL-HUNTER: And, for the DOHA piece, let me just say that the one thing that the guidelines are very clear about is that people still have to enter and leave the United States on their US passport. That's not only US passport law; it is also the explicit language of the guidelines. So until you receive the guidelines that Keith and Valerie are working on and that others are working on, it is still important to understand that people are not expected to be using foreign passports to enter and leave the United States. That part did not change.

BRADLEY: (inaudible) else? Thank you, Perry. OK, now we're going to turn to what I call the Wild West portion of the NISPPAC. (laughter) It's our general open forum discussion. So, please, who wants to kick it off? Everything is peaceful and well, and --

F: I have something.

BRADLEY: Identify yourself, please. Yeah.

WRIGHT: Actually, it's not a question, but more or less an update from DOE on something we were working on with the Department of Defense. My name is Natasha Wright, and I am with Department of Energy. I just wanted to inform the group that the Department of Defense and Department of Energy have recently -- well, actually, as of the 19th of October -- signed a memorandum of understanding between the two departments, and more specifically this memorandum of understanding addresses the security cognizance industrial security services related to the contractor facilities under the NISP that are shared between DOE, DoD, and NNSA, or the National Nuclear Security Administration. This MOU, it was designed to really address some of the issues that the departments have had regarding redundancy of oversight between the departments, reciprocity with facility clearances and personnel security clearances, information sharing, and it actually applies to all of the components that are under the signatories. So the non-DoD agencies that DoD currently has or provides industrial security services for, it also applies to them as well. As I said, this was made effective as of the 19th of October, so we actually have a really good agreement going forward dealing

with our facility clearances and personnel security processes among the departments. Any questions?

M: [Leonard Moss?] (inaudible).

BRADLEY: (inaudible) come to the (inaudible).

M: Right here is good.

MOSS: (laughs) This is Leonard Moss. Just really quick on the reciprocity, are you going to now -- are they going to be equivalent? So [TS?] and DoD is now equivalent to a Q, or is it going to be reciprocity in a true sense?

WRIGHT: So the reciprocity, of course, is going to have to be based on the type of investigation that was processed for the security clearance, but we do have a chart within the MOU that will assist the departments on how to convey or levy those personnel security requirements for those companies.

BRADLEY: (inaudible).

M: Where is that MOU available?

WRIGHT: (laughs) Well, I do have a copy. However, I will have to take it back and see if we can get it distributed to our stakeholders.

M: Thank you.

F: Right, and we'll have to double-check that (inaudible).

F: Can I [have a name?] (inaudible)?

BRADLEY: That was Kirk Poulsen.

F: OK, got it.

POULSEN: Oh, this is Kirk Poulsen.

F: [Sorry?], Kirk.

WRIGHT: Another questions?

PANNONI: I'd just like to -- Greg Pannoni. I'd just like to commend both DoD and DOE because this is exactly the kind of thing that we're trying to do, and it's definitely a step in the right direction in a case like this where we can come up with a plan and steps where one CSA takes cognizance of which duplication exactly -- you know, what we're trying to achieve, so great, great work.

WRIGHT: Awesome. Thank you.

BRADLEY: Anyone else have anything to say during the open forum period? All right. No? OK, well, we shall bring this to an end then. The next NISPPAC meetings in 2018 are scheduled for March 14th, July 19th, and November 15th here at the Archives in this room. With that, unless anybody else has anything else, I'm going to adjourn the meeting. Adjourned.

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