

**STATE, LOCAL, TRIBAL, AND PRIVATE SECTOR
POLICY ADVISORY COMMITTEE (SLTPS-PAC)**

SUMMARY MINUTES OF THE MEETING

The SLTPS-PAC held its second meeting, on Wednesday, July 27, 2011, at 10 a.m., at the National Archives Building, 700 Pennsylvania Avenue, NW, Washington, DC. William “Bill” Cira, Acting Director, Information Security Oversight Office (ISOO), chaired the meeting, which was open to the public. The following minutes were finalized and certified on November 9, 2011.

The following individuals were present:

- Bill Cira (Acting Chair, Information Security Oversight Office)
- John J. Young (Vice Chair, Department of Homeland Security)
- Assistant Sheriff Michael McClary (Vice Chair, SLTPS Member)
- Greg Pannoni (Designated Federal Officer, Information Security Oversight Office)
- Stephen F. Lewis (Department of Defense, Alternate-Member)
- Richard L. Donovan (Department of Energy, Member)
- Karen S. Mandes (Federal Bureau of Investigation, Alternate-Member)
- Bernard Stapleton (Nuclear Regulatory Commission, Alternate-Member)
- Clyde Miller (SLTPS, Member)
- Francis X. Taylor (SLTPS, Member)
- Terrie L. Suit (SLTPS, Member)
- Tracy Kindle (Defense Security Service, Observer)
- Albert F. Vincent (Observer)
- James W. Hopper (Observer)
- Elizabeth Hanley (Department of State, Observer)
- Robert Maher (Office of Director of National Intelligence, Observer)
- John Rogers (Department of Homeland Security, Observer)
- Charles Rogers (Department of Homeland Security, Presenter)
- Kenneth Polk (Department of Homeland Security, Presenter)
- Janice Cornwell (Department of Homeland Security, Presenter)
- Jim Plehal (Department of Homeland Security, Observer)
- Charles Kause (Department of Defense, Observer)
- Richard Warshaw (Central Intelligence Agency, Observer)
- David E. Meade (Department of Transportation, Observer)
- Alaina Duggan (Department of Homeland Security, Observer)
- Carla Riner (Controlled Unclassified Information Office, Presenter)
- Rachel Bassford (Controlled Unclassified Information Office, Observer)
- Robert Skwirot (Information Security Oversight Office, Staff)
- Homero Navarro (Information Security Oversight Office, Staff)

I. Welcome, Introductions, and Administrative Matters

The Chair called the meeting to order at 10:00 a.m. and welcomed the membership to the second SLTPS-PAC meeting. The Chair acknowledged the Vice Chairs, Mr. John Young, Chief, Administrative Security Division, Office of the Chief Security Officer, Department of Homeland Security (DHS), and Sheriff Mike McClary, Assistant Sheriff for Law Enforcement and Investigations, Las Vegas Metropolitan Police Department. The Chair also acknowledged Mr. Greg Pannoni, ISOO Associate Director and the Designated Federal Officer (DFO) for the SLTPS-PAC. The Chair informed the membership the meeting is subject to the Federal Advisory Committee Act (FACA) and is open to the public.

The Chair reported that the Archivist of the United States selected Mr. John P. Fitzpatrick as the new Director of ISOO and the appointment would go into effect August 1, 2011. The Chair gave a brief description of Mr. Fitzpatrick's background. Prior to his appointment as ISOO Director, Mr. Fitzpatrick served as the Assistant Deputy Director of National Intelligence for Security. Previously, he was Director of the Special Security Center for the Office of the Director of National Intelligence (ODNI). He was also the intelligence community lead for executive branch efforts to transform security clearance processes across the U.S. government. Subsequent SLTPS-PAC meetings will be chaired by Mr. Fitzpatrick.

The Chair reported changes in the SLTPS-PAC membership. Mr. Louis Widawski, Department of Transportation, replaced Mr. Richard Thompson, effective April 1, 2011. Mr. Timothy Davis, Department of Defense (DoD), replaced Mr. Stan Sims, effective May 12, 2011. Lastly, Mr. Daniel T. Alexander, Denver Mayor's Office of Emergency Management and Homeland Security, resigned from the SLTPS-PAC, effective July 15, 2011.

Discussing the vacancy left by Mr. Alexander's departure, the Chair reminded the attendees of the nomination and approval process for Committee members who represent SLTPS entities. He noted that there were two nominees: Mr. Robert Michael Maloney, Director, Baltimore City Mayor's Office of Emergency Management, nominated by Mr. Young, and Ms. Judith Carol Meyers-Johns, Director, Homeland Security Initiatives, B&W Y-12 LLC, Strategic Programs Development, nominated by Mr. Richard Donovan, Department of Energy. The Chair noted other nominations could still be submitted.

The Chair asked all the members and observers present to introduce themselves and noted that SLTPS members Mr. Ronald Brooks, Colonel Joseph Fuentes, Mr. Gary Ledford, and Mr. Kenneth Tucker were unable to attend the meeting.

The Chair discussed the administrative item of travel reimbursement. He stressed the importance of establishing a profile in the travel management system called GovTrip. The floor was yielded to Mr. Pannoni, who emphasized how important it is for members to inform ISOO staff of their travel arrangements well in advance of SLTPS-PAC meetings.

The opening remarks concluded with the Chair informing the membership that the folder in front of them contains a copy of the meeting agenda and a copy of a presentation that will be made by the Controlled Unclassified Information (CUI) Office later in the meeting.

II. Old Business

The next item of the agenda covered old business. The SLTPS-PAC Bylaws were the only action item discussed from the previous meeting. Mr. Pannoni stated that the Bylaws had been provided to the membership for comments and thanked those members who provided input. He added that some issues still need to be resolved, mainly between the legal counsel for the National Archives and DHS. In addition, there may be one or two items that pertain to FACA requirements, which we may have to be coordinated through the General Services Administration (GSA), the executive agent for FACA oversight. Once these issues are resolved, the Bylaws will be provided to the membership.

III. New Business

Update on the Implementing Directive for E.O. 13549 Mandatory Training for Derivative Classifiers

The Chair yielded the floor to Mr. Young, who provided an update on the implementing directive for Executive Order (E.O.) 13549, "Classified National Security Information Program for State, Local, and Private Sector Entities," and the steps that DHS is taking to implement the SLTPS program. He stated that the external coordination for the directive has been completed, as DHS received the concurrences of DoD, ODNI, ISOO, and the Department of Justice. The implementing directive is going through the final review process within DHS before the Secretary signs it and authorizes its publication.

Mr. Young outlined DHS's efforts to implement specific elements of the SLTPS program once the implementing directive is signed. The DHS Office of Security is developing standard operating procedures to implement the requirements of the directive. Mr. Young also reported that DHS will be opening the Homeland Security Information Network (HSIN) community of interest (COI) for SLTPS and noted that information about the HSIN will be presented later in the meeting by Ms. Janice Cornwell, DHS.

Mr. Young reported that DHS will be implementing state, local, and tribal security agreements with the lead official at sites where security equipment for classified information is deployed. By entering into these agreements, state, local, and tribal officials agree to comply with the requirements for safeguarding classified information. The form that DHS has created to secure these agreements will be sent to members in draft for comments in the coming weeks, before it becomes an official DHS form.

Mr. Young also indicated that DHS will be implementing private sector statements of understanding. The purpose of these statements, which are identified in the implementing directive, is to make clear to private sector individuals that clearances granted under the SLTPS program are separate from an individual's association with his or her respective employer. Clearances are granted based on subject matter expertise in a particular critical infrastructure area such as the electrical grid. A draft of this form will be sent to members for comment before finalization. Once the form is formally issued, DHS will begin implementing this requirement with private sector personnel who are granted security clearances under the SLTPS program.

Mr. Young advised that DHS would initiate outreach with Federal agencies, state and local fusion center personnel, and other entities to communicate the requirements of the implementing directive and to start the implementation process. Ms. Terri Suit, SLTPS member, asked whether DHS was going to be working through state homeland security advisors (HSA). She recommended that DHS work directly with the HSAs as the primary points of contact, since they nominate state and local personnel for clearances. Mr. Young remarked that this was an excellent point.

Mr. Young stated that DHS would begin to coordinate agreements with agencies identified in the implementing directive. One type of agreement will be employed when a Federal agency requests DHS to handle the security clearance process for its state, local, tribal and private sector partners and will outline the responsibilities of the agencies. Another type of agreement will be used when an agency chooses to retain responsibility for security and oversight of facilities where classified equipment is deployed, opting out of the standard practice under the directive whereby DHS would have overall responsibility in this area. The agreements will help ensure that the practices established by the agencies are consistent with the implementing directive.

Mr. Young also reported that DHS will be developing and publishing educational products, as well as revising products that have already been created and are in use. These materials will be provided to committee members, in particular the SLTPS members, for their comments.

Mr. Young reported that DHS will be constructing and implementing a facilities security profile database, another requirement of E.O. 13549 and the implementing directive. This will provide a central listing of all state, local, and tribal locations where classified information or classified equipment is deployed, thus providing a means to more easily identify these sites when access is needed. In addition, DHS will be coordinating on the methodology for documenting and tracking the security clearances of SLTPS personnel. This is an effort to centralize where those clearances are maintained to allow the SLTPS community to verify clearances. Another product that DHS is developing would help those who need to know how to obtain and maintain a security clearance through a particular agency, such as the FBI or DHS. It would provide information on agency-specific processes and list agency personnel security contacts.

Mr. Young indicated that DHS will also be preparing and coordinating security compliance review checklists. DHS has a staff of field security coordinators who visit and certify locations where classified equipment is deployed. They will also begin visiting SLTPS sites to conduct compliance reviews to ensure that classified information is being maintained in accordance with the requirements of national policy. The reviews are meant to identify and help correct any deficiencies. DHS hopes to begin the reviews within the next few months.

Ms. Suit inquired if there was a checklist that could be sent out to the HSAs in advance of the security compliance reviews. She indicated that such a checklist may be of particular value to HSAs who may be new in this role and have secure equipment in their areas but not necessarily the documentation that outlines how the equipment should be utilized. Mr. Young responded that this is what DHS will do when the checklists are finalized. It is the exact process that DHS uses for its internal compliance review program. Generally, 30 to 45 days before DHS conducts a review, the checklist is sent to the office that will be reviewed so that staff know exactly what will be evaluated.

Mr. Bernard Stapleton, Nuclear Regulatory Commission, asked Mr. Young whether DHS has any educational products for derivative classifiers. Mr. Young responded that DHS already has a curriculum for mandatory derivative classification training for its personnel, which includes four hours of training, practical exercises, and a test, and has already begun to provide this training to state and local personnel. He reminded the attendees that under E. O. 13526, "Classified National Security Information," and 32 C.F.R. Part 2001, as well as H.R. 553, "the Reducing Over-Classification Act," anyone who performs derivative classification is required to be trained every two years. If the training is not received, the individual's ability to derivatively classify could be suspended. He also indicated that SLTPS personnel who are performing derivative classification actions or who are provided access to a secure system such as the Homeland Secure Data Network or the Joint Worldwide Intelligence Communications System will be required to attend specific training on derivative classification. DHS has set January 31, 2012, as the date to ensure every SLTPS individual who performs derivative classification or has access to a classified system has received the required training.

DHS will work to develop a computer-based training product that will satisfy the derivative classifier training requirement and will make it available to the SLTPS community. Mr. Tracy Kindle, Defense Security Service noted that the Center for Development of Security Excellence has online derivative classification training. Although he was unsure if it has been updated in accordance with E.O. 13526, he offered the product to Mr. Young, who expressed interest in obtaining it.

Mr. Young concluded his presentation, and the Chair introduced Ms. Cornwell.

**Homeland Security Information Network,
SLTPS Security Administration Community of Interest**

Ms. Cornwell introduced herself as the Chief, SLTPS Branch, DHS Office of the Chief Security Officer, and one of the site administrators for the SLTPS security administration website.

Ms. Cornwell gave a brief overview of the HSIN registration process. The process begins with an on-line nomination form that must be submitted for each SLTPS member. Submission of the form generates an e-mail that notifies the user that he or she has been invited to join the COI. The e-mail provides a user name, an access code, a PIN, and a link that the user will click to register with the HSIN. Two additional links are also included: the HSIN user guide and the HSIN online training and quick reference cards. To register, the user will be required to accept a user agreement and fill out a registration form that includes his or her name, contact information, employment information, and the contact information for his or her supervisor or sponsor. Upon successful registration, an HSIN account is created, and the account holder information is then sent to Ms. Cornwell for validation and approval for access to the COI.

Ms. Cornwell indicated that she aims for same day approval. Within hours of submitting a registration form, the user should receive an initial e-mail and a second email with notification of approval, which will include the user name, a link to the SLTPS security administration COI, and instructions to call the HSIN help desk for a password. Once a password has been obtained, the user will be able to log into the COI. Once logged into the COI, the user will find security announcements, forms, policy and guidance documents, as well as other relevant information.

There are online tools for live chats and teleconferencing and a workspace area for the security liaisons. There is also a page dedicated to the SLTPS-PAC.

Ms. Cornwell noted that the site will expand over time to accommodate more material. Ultimately, DHS would like to see it function as the primary tool for sharing security information with the SLTPS community. Any suggestions or comments are highly recommended. Ms. Cornwell's contact information can be found on the website.

DHS SLTPS Security Management Documenting and Tracking Security Clearances

The Chair introduced Mr. Charles Rogers, DHS, who covered two topics: the SLTPS Security Management Division at DHS and the documentation and tracking of security clearances.

Mr. Rogers began by describing the development and functions of the SLTPS Security Management Division. He reported that after E.O. 13549 was issued and DHS was assigned as executive agent for the SLTPS program, the Secretary of DHS designated the DHS Chief Security Officer (CSO) to implement the order. The CSO created a separate division within the Office of Security to centralize the SLTPS functions. Mr. Rogers noted that some of the lines of authority for the SLTPS Security Management Division were still being defined. He reported that the office was staffed with 17 full-time personnel. It is envisioned that the SLTPS Security Management Division will have six branches: policy development implementation, personnel security, facilities certification and accreditation, information technology support, security education, and compliance review. Mr. Rogers cautioned that, although OMB provided favorable responses last spring regarding the possibility of DHS obtaining fiscal year 2012 funds and personnel, there is no certainty regarding funding. Nevertheless, the SLTPS Security Management Division was moving forward with the resources at hand.

Mr. Rogers then described the documentation and tracking of security clearances. He reported that after E.O. 13549 was signed, staff from the Office of Personnel Management (OPM) and DHS met to discuss the possibility of utilizing the Central Verification System to track all of the clearances granted to state, local, and tribal personnel, as required by E.O. 13549. After that meeting, DHS held internal meetings which produced a document that encapsulates the functional requirements of a database to most effectively track state, local, and tribal clearance holders. DHS has contacted ODNI, DoD, and OPM to provide this document to them and to discuss the functionality of the database to best serve the state, local, and tribal community.

Mr. Rogers elaborated on the purpose of clearance database. Selected personnel, such as a security liaison and maybe an alternate, within a location, like a fusion center, would be given certain rights and privileges that would enable them to verify clearances. Currently, it is very difficult for the state and local personnel to do this as they must reach back to multiple federal agencies to verify clearances. With the database, these personnel will be able to verify clearances quickly.

Mr. Stapleton inquired as to whether the security clearance database could be used to identify individuals who are associated with entities that are authorized to hold classified information at their sites and those that are cleared to view classified information but are not associated with a

facility that can possess classified information. He used the terms “possessing” and “non-possessing” to distinguish between the two.

Mr. Rogers replied that this question relates to the facility security profile database that Mr. Young described earlier. Currently, DHS maintains records—security profiles—that can be accessed to identify the facilities that have been authorized by DHS to store classified information and/or have classified systems. DHS is working to document the requirements to develop a more robust database that would include security profiles of any facility in which any Federal agency has authorized state, local, or tribal entities to store or process classified information. The goal is to have a security profile database that would be provided to Federal agencies to validate locations.

Ms. Suit added that it would be helpful if courier cards were also tracked in a database to allow verification that someone has a legitimate courier card to transport classified information. Mr. Rogers noted that this was a good point and that, because DHS issues the courier cards, there may be a way to integrate that information into the database.

Mr. Young affirmed that both the courier card and possessive versus non-possessive issues are good points, which DHS may not have considered. He suggested that these ideas can be included in discussions that DHS has with OPM and DoD and ODNI. Ms. Suit added that retrieving FBI and DoD clearance holder information can be particularly challenging.

Security Liaison Workshop

The Chair introduced Mr. Ken Polk, DHS, who reported on a security liaison workshop tentatively planned for November.

Mr. Polk recounted that when DHS personnel began deploying resources to state, local, and tribal entities, they recognized the need for these entities to learn how to properly safeguard classified information and correctly operate storage and processing equipment. At the time, there was no training process in place, and DHS started to administer individual training at each site. DHS received a large volume of individual training requests, and it became clear that, due to cost prohibitions, such a strategy could not be maintained. Also, state, local, and tribal entities were not working towards assuming responsibility for their own training programs.

Mr. Polk indicated that DHS moved to address these shortcomings by developing a security liaison model, which would employ fusion center personnel to conduct training. In 2008 and 2009, the security liaison model was tested at four fusion centers. The test demonstrated that once the liaisons were trained, they were better able to implement the security program, and they would contact DHS and ask questions about security areas they did not understand. In July 2010, DHS decided to fully implement a security liaison program and held the first security liaison workshop, in Oklahoma City, Oklahoma.

Mr. Polk noted that the feedback from the attendees was overwhelmingly positive and that DHS is planning to host another security liaison workshop in 2011. The next workshop is tentatively planned for November 2011 to coincide with the national fusion center conference, which will be attended by all of the fusion center directors. This will provide DHS an opportunity to learn exactly what the fusion center directors expect of the security liaisons. The location for this

workshop has yet to be determined. Details about the conference will be disseminated when plans are finalized. Training will be held Tuesday through Thursday, and Monday and Friday will be travel days.

Mr. Polk stated that DHS was building on the foundation that was laid last year and aims in this and successive years to add to the knowledge the security liaisons have gained so that they will become true security professionals. To develop the training for this year, DHS considered the requests for support from the security liaisons and the questions that they have asked, and quickly recognized that many of these topics had not been addressed during the last conference. DHS also considered the surveys from the last conference, and Mr. Polk welcomed additional feedback from the security liaisons as well as all SLTPS-PAC members, noting that DHS's primary objective is to provide detailed instructions and other tools that enable the state, local, and tribal security liaisons to effectively implement current national security policy.

Mr. Polk referred to the point that Mr. Young made earlier that DHS was beginning to provide training on derivative classification and marking to state, local, and tribal personnel. A four-hour derivative classification and marking course was conducted during the conference last year, and it will be provided again at the conference this year. Mr. Polk also noted that DHS is investigating the feasibility of delivering some of this training through secure video teleconferences for locations that have that capability.

Ms. Suit asked Mr. Polk if he saw a need for security liaisons outside the fusion centers and inquired as to who was responsible for designating security liaisons. Mr. Polk replied that, for the fusion centers, the fusion center directors designate the security liaisons. Mr. Young added that any location where classified equipment is deployed or classified information is held would have to have a security liaison assigned.

Ms. Suit emphasized the need to involve the HSAs for each state and region in these programs. She reported that she is hearing from her counterparts in other states that a lot of information that goes to the fusion centers is not necessarily flowing to the HSAs. She underscored that it is important to include the HSAs as they are the umbrella for the classified programs at the state and local levels; whereas, a fusion center is just one entity that has clearance holders that are nominated by an HSA. Mr. Young, responded that DHS does recognize that there is a lot more beyond the fusion centers, as the program encompasses anyone who has a security clearance and any location where classified information is deployed, fusion center or not.

Controlled Unclassified Information

The Chair introduced Ms. Carla Riner, Senior Program Analyst in ISOO's CUI Office, who provided an update on the current status of the CUI program.

Ms. Riner began by providing an overview of the development of the CUI program. When President Obama took office, he established a taskforce to review how the executive branch was using sensitive but unclassified (SBU) markings, and significant problems were found. A CUI working group was established and reached the same conclusions as the presidential task force—that there was a great deal of inconsistency when SBU markings were applied by different agencies. Ms. Riner relayed that the working group emphasized that a single piece of information could come from numerous government sources and that each would be marked in a

different way. Consequently, E. O. 13556 was issued on November 4, 2010 establishing the CUI office, under ISOO, as the executive agent to develop CUI policies and oversee the implementation of the program.

Ms. Riner explained that agencies were asked to review their marking policies and procedures so that they could then provide the CUI office with proposed CUI categories, describing each category's authoritative basis. Most agencies that have such authorized categories do so as a result of congressional precedent, E.O., or their own regulations. Ms. Riner noted that agencies compiled this information and provided it to the CUI office in May of 2011. The CUI office staff has been researching these authorities and finding the exact control language that will be considered when executive branch agency representatives are brought together to establish the initial categories. The CUI office will soon form working groups of executive branch agency representatives in order to examine these categories and determine how to implement them consistently based on existing authorities.

Ms. Riner further indicated that the CUI office has found some striking consistencies in information that needs to be protected: legal practices and documents, critical infrastructure, and law enforcement, among others. She observed that E.O. 13556 requires the executive agent to consult with SLTPS partners and noted that the CUI office is currently focused on achieving consistency throughout the executive branch and establishing the required information categories. The follow-on efforts will include SLTPS, as well as an examination of marking procedures for unclassified but sensitive foreign government information.

Mr. Clyde Miller, SLTPS member, posed a question concerning the timeframe the CUI office is considering for engagement of the private sector since the private sector will receive CUI and be expected to know how to work with it. He remarked that it has been problematic for the private sector to deal with some of the categories currently in use. He offered "For Official Use Only" (FOUO) as an example because private sector personnel did not understand how to handle the information and government personnel have different ideas of what it means. Ms. Riner responded that the marking FOUO will not be used in the CUI framework. She added that the CUI office has already been in consultation with private sector entities, noting that they were included in the pre-E.O. working group and that the CUI office has a great contingency of law enforcement personnel and private sector personnel who are consulted on a regular basis.

IV. General Open Forum/Discussion

The Chair opened the floor for questions and general discussion.

Mr. Young referred to Ms. Riner's CUI presentation and indicated that, even though the SLTPS program is applicable only to classified information, DHS will look at incorporating CUI requirements into DHS educational products accessible to state, local, and tribal personnel. DHS will consider posting CUI-related information and products on the HSIN website, in order to familiarize SLTPS members and personnel with proper terminology and marking procedures.

Mr. Kindle posed a question on the relationship between the SLTPS and the National Industrial Security Program (NISP) when classified information from the SLTPS program is stored at a NISP facility. He asked whether the NISP or SLTPS would take precedence.

Mr. Young responded that if a company has a facility security clearance and is under the purview of E.O. 12829, as amended, "National Industrial Security Program" (NISP), then the NISP takes precedence. The SLTPS program is applicable only to private sector individuals who are not part of a contract under the NISP but have been granted a clearance because the federal government needs their expertise in a certain area, such as the electric grid, transportation, or another infrastructure sector. Mr. Young emphasized that DHS is not granting clearances to private sector or state, local, or tribal personnel that have any association with a contract that has been issued by the Federal government. In fact, if a private sector individual has been granted a clearance by DoD based on his or her being employed by a contractor that has a classified contract, DHS would not reinvestigate that person. Mr. Young reiterated that, as far as DHS is concerned, such entities are governed by the NISP and are not part of the SLTPS program.

Mr. Young advised attendees that they and SLTPS personnel in particular, should contact DHS with specific information about any concerns or questions they have relative to security processes or practices, as the overarching purpose of SLTPS-PAC and the SLTPS program is to assure that the Federal government is applying consistent standards throughout the SLTPS community. He noted that DHS relies upon the community to report issues and concerns, and to do so with specificity. He then referred again to H.R. 553, the Reducing Over-Classification Act, noting that it requires the Secretary of DHS to appoint a classified information advisory officer, and described the position as a kind of the ombudsman for the SLTPS community who interacts with Federal government officials on matters related to classified information. He indicated that he has been appointed as this classified information advisory officer and advised the attendees that he would welcome any issue they wish to bring to his attention in this capacity. He noted that issues will be brought to the attention of the appropriate DHS personnel, who will make every reasonable attempt to resolve them.

V. Closing Remarks and Adjournment

The Chair announced tentative dates for the next SLTPS-PAC meetings as follows: Wednesday, January 18, 2012, in the National Archives Building, from 10:00 a.m. to 12:00 noon, followed by a meeting, in the same venue, on Wednesday, July 25, 2012, from 10:00 a.m. to 12:00 noon. The meeting was adjourned at 11:15 a.m.