

# **SUPPORTING STATEMENT**

**By Defense Security Services (DSS)**

## **“Personnel Security Investigation Projection for Industry Survey”**

### **A. Justification**

#### **1. Need for Information Collection**

Executive Order (EO) 12829, “National Industrial Security Program (NISP)”, dated January 7, 1993, stipulates that the Secretary of Defense shall serve as the Executive Agent for inspecting and monitoring the contractors, licensees, and grantees who require or will require access, to or who store or will store classified information; and for determining the eligibility for access to classified information of contractors, licensees, and grantees and their respective employees. EO 12829 also authorizes the Executive Agent to issue, after consultation with affected agencies, standard forms that will promote the implementation of the NISP.

Executive Order 12968, “Access to Classified Information”, dated August 2, 1995 stipulates the following:

- (a) No employee shall be granted access to classified information unless that employee has been determined eligible in accordance with the EO and possess a need-to-know. The EO defines employee as a person, other than the President and Vice President, employed by, detailed or assigned to, an agency, including members of the Armed Forces; an expert or consultant to an agency; an industrial or commercial contractor, licensee, certificate holder, or grantee of an agency, including all subcontractors; personal service contractor; or any other category of person who acts for or on behalf of an agency as determined by the appropriate agency head.
- (b) Agency heads are responsible for the establishing and maintaining an effective program to ensure that access to classified information by each employee is clearly consistent with the interests of the national security.
- (c) Employees may not be granted access to classified information unless they have been determined to be eligible for access under section 3.1 of EO 12968 by agency heads or designated officials based upon a favorable adjudication of an appropriate investigation of the employee’s background.
- (d) An authorized Investigative Agency is one authorized by law or regulation to conduct a counterintelligence investigation or investigation of persons who are proposed for access to classified information to ascertain whether such persons satisfy the criteria for obtaining and retaining access to such information.

- (e) Employees who are eligible for access to classified information are subject to a periodic reinvestigation, if there is reason to believe that they may no longer meet the standards for access established in the EO. Reinvestigations are to be conducted with the same priority and care as initial investigations.

As part of the ongoing review of the personnel security clearance process within the Department of Defense (DoD), it was determined that DoD required a more effective method of projecting personnel security investigation (PSI) and clearance requirements for defense industry. This information collection is needed to budget for the resources necessary to meet future demands within defense industry. The information will be used to compile future workload estimates that will be submitted to the Office of Secretary of Defense each March and under our annual Program Objective Memorandum (POM) each May.

## **2. Use of the Information**

Department of Defense Directive, 5105.42, "Subject: Defense Security Service", delineates the mission, functions and responsibilities of DSS. In accordance with this Directive DSS was an Agency of the Department of Defense under the authority, direction, and control of the Assistant Secretary of Defense (Command, Control, Communication and Intelligence) (ASD(C3I)). Subsequently, Deputy Secretary of Defense Memorandum, Subject: Implementation Guidance on Restructuring Defense Intelligence – and Related Matters, dated, May 8, 2003, created and transferred the Industrial Security and Personnel Security responsibilities of ASD(C3I) to the Office of the Undersecretary of Defense for Intelligence (OUSD(I)). As such DSS was also transferred under the management and control of OUSD (I). DSS is currently responsible for the following:

- (a) Administer and implement the Defense portion of the National Industrial Security Program (NISIP) pursuant to EO 12829 (reference (e)).
- (b) Provide a single, centrally directed, personnel security investigative service to conduct and/or ensure the conduct of personnel security investigations for the DoD Components within the United States (US) and its Trust Territories; when authorized by OUSD(I), for other US Government Departments and Agencies:
- (c) Conduct personnel security investigative operations in accordance with EO12968 (reference(h)), DoD Directive 5200.27 (reference (i)), and DoD 5200.2-R (reference (j)).
- (d) Exercise authority delegated to the Secretary of Defense for issuance of security clearances to contractor employees, pursuant to EO 12829.

The Assistant Secretary of Defense' August 22, 2000 memorandum, Subject: Personnel Security Clearance Investigation implemented the Deputy Secretary's direction to distribute, effective October 1, 2000, the personnel security clearance investigation workload between the Defense Security Service and the Office of Personnel Management. The memorandum required

that each senior Component official is responsible for developing a Component-level plan; for monitoring and reporting Component status with respect to the USD(C) spend plan. The plan must address the availability of sufficient funds; generation of sufficient workload from field activities in the timelines identified; ensuring quality of submissions so as to preclude rejection and needless delays and ensuring the timely adjudication of completed cases. Attachment 1 of the memorandum reflects the division of workload and that DSS is responsible for the following types of investigations within industry:

- (a) A Single Background Investigation (SSBI): Required for access to TOP SECRET (TS), and Sensitive Compartmented Information (SCI).
- (b) A National Agency Check with Local Agency Check and Credit Check (NACLIC): Required for access to SECRET (S), and CONFIDENTIAL (C) classified information.
- (c) SSBI Periodic Reinvestigation (SSBI-PR or TS-PR): Conducted every 5 years for those who have access to TS, or SCI.

In accordance with DoD 5200.2-R DSS is also responsible for conducting and/or ensuring the conduct of S-PRs every 10 years, C-PRs every 15 years, as well as SSBIs and Trustworthiness NAC (TNAC) determinations for sensitive positions that do not require personnel security clearances. The primary requirements necessary to protect and access classified information released to private industry are set forth in DoD 5220.22M, "National Industrial Security Program Operating Manual (NISPOM). In accordance with "Section 2. Personnel Clearances", paragraph 2-200 of the NISPOM contractors shall limit requests for Personnel Clearances to the minimum numbers of employees necessary for operational efficiency, consistent with contractual obligations and other requirements of the NISPOM.

### **3. Information Technology**

The use of information technology has been considered appropriate for the purposes of this collection. The "Personnel Security Investigation Projection for Industry Survey" is e-mailed directly to the contractor and is also posted to the DSS Web Site: [www.dss.mil](http://www.dss.mil) as a means of distribution. Contractors also submit their responses electronically, via e-mail.

### **4. Efforts to Identify Duplication**

In a meeting held October 24, 2000, representatives from various government and industrial security organizations such as, the OASD(C3I), Information Security Oversight Office, Defense Office of Hearing and Appeals, United States Security Policy Board Staff, Navy, Air Force, Central Intelligence Agency, Department of State, National Industrial Security Program Policy Advisory Committee, Aerospace Industries Association, Industrial Security Working Group, National Classification Management Society, and Contractor SAP Security Working Group were advised of DSS' intent to collect this data. These organizations and government activities are aware that this is an annual request.

Historical data can not be used as the sole basis for budgeting and resourcing determinations because previous projections have not met actual workload requirements. Previous reliance on historical data did not accurately address the year to year variances in personnel security clearance and investigative demands by defense industry.

#### **5. Methods to Minimize Burden on Small Entities**

DSS is only asking for the minimum amount of information necessary for budgeting and resourcing determinations. Due to the unique categories of contractors participating in the NISP DSS will not be able to use random sampling techniques. DSS will use targeted sampling focusing on approximately 12,117 facilities participating within the NISP.

#### **6. Consequences of Not Collecting the Data**

If this data is not collected, DSS' and the Department's ability to accurately maintain current records and budget for projected workload demand pertaining to personnel security investigation and clearance requirements within industry will be limited and imprecise.

#### **7. Special Circumstances**

There are no special circumstances affecting this collection.

#### **8. Agency 60-Day Federal Register Notice and Consultations Outside the Agency**

The attached Notice was posted to the Federal Register on October 8, 2004. Consideration for comments from the public were provided through December 7, 2004 and no comments were received.

#### **9. Payments to Respondents**

No payments or gifts will be provided to respondents.

#### **10. Assurance of Confidentiality**

There are responses to questions on the "Personnel Security Investigation Projection for Industry Survey" which may be considered by the respondent to be company proprietary. Information provided by the contractor will be handled as confidential commercial information. This advisement will be contained in the instruction package to the contractor.

#### **11. Sensitive Questions**

There are no sensitive questions asked in this collection as defined by the OMB 83-I Inst., 10/95.

## 12. Estimates of Response Burden and Annual Cost to Respondent

### (a) Estimated Average Annual Respondent Burden:

- (1) Responses Per Respondent: 1
- (2) Number of Respondents: 12,117
- (3) Hours Per Response: 75 minutes (1 hour and 15 minutes)
- (4) Total Annual Burden Hours: 15,146.25

### (b) Respondent Cost

Total Annual Cost to Respondents: \$522,545.625 (12,117 x \$43.125)  
Cost to Individual Respondent: \$43.125 (\$.575 per minute x 75 minutes)

- (d) The cost to respondent is based on the approximate salary of a GS-13 Step 1 (Effective January 2004): \$34.55 (rate per hour)/60 (minutes) = \$.575 per minute.

## 13. Estimates of Cost Burden for Collection of Information

Submission and completion of the Survey Instrument online requires access to Excel software. As our information infrastructure is converted over to that of the Air Force, Pentagon Communication Agency's, DSS' current version of Excel through Microsoft Office 97 will be upgraded through Microsoft XP. The Survey Instrument may require contractors to purchase and/or upgrade their software. Depending on the vendor the contractor chooses, the software may be free or cost between \$79.99 for a small office or \$25.00 per user (e.g., 10,000 users), for larger corporations. The OMB Form 83-I reflects costs based on 12,117 contractors purchasing software for \$79.99.

## 14. Annual Cost to Government:

### (a) Administrative (printing, mailing, distributing and reviewing)

- (1) Printing: \$4,846.80 = (\$.40 x 1,211.7)
- (2) Postage: \$448.32 = (\$.37 x 1,211.7)
- (3) Distribution and Review: \$1,635.795 = (\$1.35 x 1,211.7)
- (4) Total Administrative Cost: \$ 6,930.915

### (b) Explanation of Administrative Costs:

- (1) *Printing: Printing costs are estimated at \$.05 per page for 10 percent of respondents or 1,211.7. Survey Package consists of eight pages at a cost of: \$.40*
- (2) Postage: \$.37 per survey package
- (3) Distribution and Review: Salary is based on a GS-7 Step 1 (Effective January 2004) = \$16.38 (per hour)/60 (minutes) = .27 (rate per minute)
- (4) 5 minute distribution and review per blank form (5 minutes x \$ .27 = \$1.35)

(c) Survey Development and Maintenance Costs: \$ 29,619.83

(d) Explanation of Survey Development and Maintenance Costs:

| Number  | Average Grade/Rank | Average Salary | Average Hours | Cost                           |
|---------|--------------------|----------------|---------------|--------------------------------|
| 2       | GS-15 Step 5       | \$ 54.43       | .5            | \$ 54.43 = 2(\$54.43 x .5)     |
| 1       | GS-14 Step 5       | \$ 46.27       | 240           | \$ 11,104.8 = (\$46.27 x 240)  |
| 1       | GS-13 Step 5       | \$ 39.16       | .5            | \$ 19.8 = 1(\$39.6 x .5)       |
| 240 ISR | GS-12 Step 5       | \$ 32.93       | 2             | \$ 15,806.40 = 40(\$32.93 x 2) |
| 1 CIO   | GS-12 Step 5       | \$ 32.93       | 80            | \$ 2,634.4 = 1(\$32.93 x 80)   |

(e) Total Cost to the Government: \$36,550.745

### **15. Reasons for Program Changes or Adjustments**

This is an extension of a previously approved collection. There is an adjustment in the number of burden hours requested due to an increase in the number respondents.

### **16. Plan for Tabulation or Publication**

There are no plans to publish or tabulate the information collected.

### **17. Approval to Avoid Display of the Expiration Date of OMB Approval.**

Approval is not sought for avoiding display of the expiration date for OMB approval of the information collection.

### **18. Exception to Certification Statement**

There are circumstances that require the collection to be conducted in a manner inconsistent with CFR 1320.5(d)(2). Due to the unique categories of contractors participating in the NISP, DSS will not be able to use random sampling techniques. DSS will use targeted sampling focusing on approximately 12,117 facilities participating within the NISP. As noted in item 4., historical data can not be used as the sole basis for resource and budget planning because the data does not accurately address the year to year variances in personnel security clearance and investigative demands by defense industry.

### **B. Collection of Information Employing Statistical Methods.**

Statistical methods will not be employed.