

SUPPORTING STATEMENT FOR DISCO FORM 562
Defense Security Service (DSS)
Personnel Security Clearance Change Notification

A. JUSTIFICATION

1. Executive Order (EO) 10865 stipulates that the Secretary of Defense shall prescribe specific requirements necessary to protect classified information released to private industry. These requirements are set forth for industry in DoD 5220.22-M, National Industrial Security Program Operating Manual. Executive Order 12829 established the National Industrial Security Program. Industry agrees to comply with these requirements when they execute DD Form 441, Department of Defense Security Agreement. One of the requirements imposed on cleared contractors is to report various changes in employee personnel clearance status or identification information, e.g., reinstatements, conversions, concurrents, terminations, changes in name or other previously submitted information. DISCO Form 562 was designed to provide an efficient, uniform and cost efficient method for contractors to report this information.
2. The information is used by the Defense Security Service and/or the Defense Industrial Security Clearance Office (DISCO) to make the necessary changes in their clearance records to keep them updated and correct. The collection of this information is essential to the mission of the Defense Security Service which is to administer the National Industrial Security Program on behalf of all DoD Components and other user agencies.
3. The use of information technology is utilized to the maximum extent possible. Most contractors will use the electronic version, but there will still be requirements for a hard copy form.
4. Duplication is avoided by designating DSS and their appropriate Cognizant Security Offices responsible for security inspections of contractor facilities for all agencies.
5. The collection of information does not have a significant impact on small businesses or other small entities. The burden imposed is the same regardless of the size of the business.
6. The information is important in making a determination as to whether a contractor employee is eligible to have a security clearance. These requirements are necessary to preserve and maintain the security of the United State through establishing standards to prevent the improper disclosure of classified information.
7. There are no special circumstances associated with this data collection.
8. The 60-day Federal Register notice was published in the Federal Register. No comments were received.
9. No payments will be made to respondents for completion of the DISCO Form 562.

10. The information is obtained from the contractors' employment records as it pertains to their cleared employees. It is proprietary to the DoD contractor and is releasable only as applicable under appropriate Federal law/statutes.

11. No items of a personal or sensitive nature are included on the DISCO Form 562.

12. There are 11,290 cleared facilities with varying needs for this form. Some facilities may need one or two forms during the year, while others may need 100 or more.

a. Respondents: There are 11,290 contractor facilities participating in the National Industrial Security Program.

b. Frequency of Response: Average 20 a year per contractor or 225,800 responses per year.

c. Explanation of Burden: There are 11,290 contractor facilities participating in the National Industrial Security Program. Each contractor completes an average of 20 DISCO Form 562s annually and expends an average of 12 minutes in completing each form for 45,160 hours. The annual cost to respondents for filling out the forms is estimated at \$1,152,032. This is based on the pay scale of a GS 11, step 5 at the hourly rate of \$25.51 time 45,160 hours.

13. There are no additional costs placed on the respondents. There are no capital, start-up, or maintenance costs associated with this collection of information.

14. Annual Cost to the Federal Government. Administrative costs for managing the program (including support services): \$227,503; Printing: 10,000 one-page, one-sided forms: \$101. Total cost: \$227,604.

15. This is an extension of a previously approved collection.

16. The results of the collection of this information will not be published.

17. Approval not to display the expiration date is not requested.

18. No exceptions to the certification statement are being sought.

B. STATISTICAL METHODS

The reporting of this information does not employ statistical methods.