

SUPPORTING STATEMENT – PART A

By Defense Security Service (DSS) "Personnel Security Investigation Projection for Industry Census Survey" OMB 0704-0417

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 year.

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 (C3D). 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 (C3D 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). In February 2005, DSS transferred the conduct of personnel security investigations to the Office of Personnel Management (OPM). As it pertains to this request for authority to collect information, DSS is currently responsible for the following:

- (a) Administer and implement the Defense portion of the National Industrial Security Program (NISP) for DoD and 26 other Non-DoD agencies pursuant to EO 12829 (reference (e)).
- (b) Exercise authority delegated to the Secretary of Defense for issuance of security clearances to contractor employees, pursuant to EO 12829.

The Fiscal Year 2001 Defense Authorization Bill, under 10 U.S.C. 1564 directed the Department of Defense (DOD) to establish a process for expediting the completion of background investigations for DOD personnel as well as DOD contractor employees engaged in sensitive duties that are critical to the national security. A required feature of this legislation is quantification of the requirement for background investigations necessary for grants of security clearances.

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.

Contractor entities are responsible for completing contractual requirements. Based on guidance contained in their contracts, they must identify which personnel will require background investigations for clearances in order to complete those contracts. Therefore, in order to comply with the terms of the Fiscal Year 2001 Defense Authorization Bill as they pertain to quantifying background investigation requirements and to ensure sufficient funding for these background investigations for clearances, DSS must solicit input from the contractor entities regarding the numbers of each type of investigation they require for contract performance requiring access to classified information.

3. Use of Information Technology

The use of information technology has been considered appropriate for the purposes of this collection. DSS sends an email invitation to complete the "Personnel Security Investigation Projection for Industry Survey" directly to a designated point of contact at the contractor facility. The email invitation includes a secure link to access and complete the online survey.

4. Non-Duplication

DSS performs the Personnel Security Investigation Projection for Industry Survey annually and the information is not collected elsewhere. Representatives from various government and industrial security organizations such as Army, Air Force, Navy, Central Intelligence Agency, Department of Commerce, 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.

DSS annually provides reminders of the survey at various government and industry security organization meetings. These organizations and government activities are aware that this is an annual request, slated to occur in the spring of each calendar year to align with the budget cycle.

Historical data cannot be used as the sole basis for budgeting and resourcing determinations. Reliance on annual PSI projection survey results more accurately addresses year to year variances in personnel security investigative demands for contractor clearances.

5. 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 does not use random sampling techniques. DSS

conducts an annual census of the approximately 13,137 cleared contractor facilities participating within the NISP. Some cleared contractor facilities have chosen, for business reasons, to submit a consolidated response representing projections for multiple cleared facilities within the same company.

6. Less Frequent Collection

If this data is not collected, DSS' and the Department's ability to budget for projected workload demand pertaining to personnel security investigation and clearance requirements within industry will be significantly degraded.

7. Paperwork Reduction Act Guidelines

There are no special circumstances affecting this collection.

8. Consultation and Public Comments

The 60-day Federal Register Notice was published in the Federal Register on December 10, 2013, pages 74118-74119. Consideration for comments from the public was provided through February 10, 2014. No comments were received.

The 30-day Federal Register Notice was published in the Federal Register on December 08, 2014, pages 72654-74655.

9. Gifts or Payment

No payments or gifts will be provided to respondents.

10. 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 83-1 Inst., 10/95.

12. Respondent Burden, and its Labor Costs

(a) Estimated of Respondent Burden:

Contact Validation

- (1) Responses per Respondent: 1
- (2) Number of Respondents: 13,137
- (3) Hours per Response: 15 m inutes
- (4) Total Annual Burden Hours: 3,284

Industry Survey

- (1) Responses per Respondent: 1
- (2) Number of Respondents: 13,137
- (3) Hours per Response: 80 m inutes
- (4) Total Annual Burden Hours: 17,516

Total Response Burden

- (1) Responses per Respondent: 1
- (2) Number of Respondents: 13,137
- (3) Hours per Response: 95 m inutes
- (4) Total Annual Burden Hours: 20,800

(b) Labor Cost of Respondent Burden

Contact Validation

- Total Annual Cost to Respondents: \$120,400.61 (13,137 x \$9.17)
- Cost to Individual Respondent: \$9.17
- (\$.611 per minute x 15 minutes)

Industry Survey

- Total Annual Cost to Respondents: \$642,136.56 (13,137 x \$48.88)
- Cost to Individual Respondent: \$48.88
- (\$.611 per minute x 80 minutes)

Total Response Burden

- Total Annual Cost to Respondents: \$762,537.17 (13,137 x \$58.05)
- Cost to Individual Respondent: \$58.05
- (\$.611 per minute x 95 minutes)

The cost to respondent is based on the approximate salary of a GS-13 Step 3 (FY13 basic pay): \$36.63 (rate per hour)/60 (minutes) = \$.611 per minute.

13. Respondent Costs Other Than Burden Hour Costs

There is no cost associated with these tools for the survey submission. Completion and submission of the Survey (census) questionnaire online requires an email address and Internet access, tools which cleared contractor facilities already have

in place or can access through a local library.

14. Cost to the Federal Government

(a) There are no administrative (printing, mailing, distributing and reviewing) since all action is taken through email and online survey tool.

(b) Explanation of Administrative Costs: not applicable.

(c) Survey Development and Maintenance Costs: \$69,327.44

(d) Explanation of Survey Development and Maintenance Costs:

(1) Annual contract with Survey vendor for web-based survey tool, technical services and hosting of survey and submitted respondents' data: \$50,000.00

(2) Personnel:

Number	Average Grade/Rank	Average Salary/hr. (DC area FY13)	Average Hours	Cost
1	GS-15 Step 5	\$67.21	20	\$1,344.20= \$67.21x20
2	GS-13 Step 3	\$45.51	180	\$16,383.60=(\$45.51x180) x2
1	GS-14 Step 5	\$57.13	28	\$1,599.64= \$57.13x 28

(e) Total Cost to the Government: \$69,327.44

15. Reasons for Change in Burden

DSS incorporates a “Contact Validation Test” (CVT) to FSOs of active, cleared facilities within the NISP. The CVT serves three purposes:

If the FSO listed in ISFD is not the person to complete the survey -or- if the FSO will change before Survey deployment, they may list an alternate POC.

If the facility will be completing a consolidated submission covering more than one active, cleared facility they may list the CAGE Codes they will be covering and when the Survey deploys those CAGE codes will not receive an unnecessary email invitation.

View screen shots of the upcoming survey.

Provide any questions or comments before deployment.

16. Publication of Results

The data is analyzed and used by DSS to determine budget projections for personnel security investigations for contractor clearances for DoD and 26 other Non-DoD agencies through the National Industrial Security Program.

17. Non-Display of OMB Expiration Date

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

18. Exception to “Certification for Paperwork Reduction Submissions”

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 conduct a census of the approximately 13,137 facilities participating within the NISP. Some cleared contractor facilities have chosen for business reasons to submit a consolidated response representing projections for multiple cleared contractor facilities within the same organizational structure.

The Spring 2014 response rate to this annual online census questionnaire was 89.3 percent of the cleared contractor facilities representing 95.8 percent of the cleared contractor population. As noted in item 4, historical data cannot 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.