

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 the 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 31 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.

A government system, a web-based survey tool hosts the PSI Data Collection. The facility must have an active company account and permanent CAGE Code to access the PSI Data Collection. The PSI Data Collection must be completed during the reporting period, which covers a four-week period. Authorized users for each of these facilities will receive email notifications at the launch of the reporting period, as well as weekly reminders during the reporting period to those facilities yet to submit their projections. Authorized users for these facilities have full access to submit PSI projections during the reporting period. They may continue to edit and resubmit their responses during the reporting period. The Statistician cleans up the data; separates responses and non-responses; performs missing imputation using K-NN algorithm; and performs regression to correct overestimated forecast. The survey data is used to project case and cost estimates, integral to planning and programming for NISP personnel security investigations across the Fiscal Year Defense Plan.

3. Use of Information Technology

The use of information technology has been considered appropriate for the purposes of this collection. One hundred percent of NISP Facilities Security Officers (FSOs) who are authorized and registered within DSS's National Industrial Security System (NISS) will receive email notifications at the launch of the collection as well as occasional follow-up reminders during the reporting period to submit PSI projections within NISS.

4. Non-duplication

DSS performs the Personnel Security Investigation Projection for Industry Census 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 Business

This information collection does not impose a significant economic impact on a substantial number of small businesses or entities.

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

This collection of information does not require collection to be conducted in a manner inconsistent with the guidelines delineated in 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

- Part A: PUBLIC NOTICE

The 60-day Federal Register Notice was published in the Federal Register on Wednesday, January 17, 2018. The 60-Day FRN citation is 83 FR 2438. No comments were received.

The 30-day Federal Register Notice was published in the Federal Register on March 28, 2018. The 30-Day FRN citation is 83 FR 13259.

- Part B: CONSULTATION

In 2016 the Defense Security Service simplified processes through elimination of the contact validation phase. DSS consulted with Industry representatives to perform beta testing of the new application. Industry representatives advised DSS on ways to further improve the survey application, which led to the development of video tutorials and user manuals.

9. Gifts or Payment

No payments or gifts are being offered to respondents as an incentive to participate in the collection.

10. Confidentiality

The response to questions on the "Personnel Security Investigation Projection for Industry Census Survey" may be considered by the respondent to be company proprietary. Information provided by the contractor will be kept private to the extent permitted by law. Information collected is compiled to create an aggregate estimate of

PSI requirements. Only the aggregate data is reported and all individual company information is kept in DSS records.

We are not collecting PII in the survey; therefore, a SORN and a PIA are not required.

Privacy Act Statement is located at the beginning of the survey, along with the OMB number and the Agency Disclosure Notice.

AUTHORITY: DoD Directive 5220.22, National Industrial Security Program (NISP) and Executive Order (EO) 12829

PRINCIPAL PURPOSE(s): To gather information necessary to budget for the resources to meet the need for Personnel Security Investigations (PSI) for Contractor 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.

ROUTINE USE(s): Information collected is compiled to create an aggregate projection of NISP personnel security clearance requirements. Only the aggregate data is reported and all individual Facility Security Officer name and company information is kept in DSS records.

DISCLOSURE: Voluntary. However, failure to provide background investigation requirements may adversely impact sufficient funding for these background investigations for clearances.

The Records Retention and Disposition Schedule (040 - DAA-GRS- 2013-0003-0012). Cost accounting for stores, inventory, and materials for this collection are temporary. Records should be destroyed when 3 years old, but longer retention is authorized if required for business use.

11. Sensitive Questions

No questions considered sensitive are being asked in this collection

12. Respondent Burden, and its Labor Costs

a. Estimation of Respondent Burden

Estimation of Respondent Burden Hours					
	Number of Respondents	Number of Responses per Respondent	Number of Total Annual Responses	Response Time	Respondent Burden Hours
Personnel Security Investigation Projection for Industry Census Survey	10,421	1	10,421	30 min.	5,210.50
Total	10,421	1	10,421	30 min.	5,210.50
Total Submission Burden	10,421		10,421		5,210.50

b. Labor Cost of Respondent Burden

Labor Cost of Respondent Burden					
	Number of Responses	Response Time per Response	Respondent Hourly Wage (2017, DC, GS-13 Step 1)	Labor Burden per Response	Total Labor Burden
Personnel Security Investigation Projection for Industry Census Survey	10,421	30 min.	\$45.42	\$22.71	\$236,660.91
Total	10,421	30 min.	\$45.42	\$22.71	\$236,660.91
Overall Labor Burden	10,421				\$236,660.91

Used OPM 2017 General Schedule for Washington-Baltimore-Arlington , DC-MD-VA-WV-PA, GS-13 Step 1 which better fits the pay level for the occupation of Facility Security Officer and it can be found at :<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2017/general-schedule/>

13. Respondent Costs Other Than Burden Hour Costs

There are no annualized costs to respondents other than the labor burden costs addressed in Section 12 of this document to complete this collection.

14. Cost to the Federal Government

	Personnel Security Investigation Projection for Industry Census Survey	Total
Number of Responses	10,421	10,421
Processing Time Per Response (in hours)	.02	.02
Hourly Wage of Worker(s) Processing Responses	\$51.30	\$51.30
Cost to Process Each Response	\$1.03	\$1.03
Total Cost to Process Responses	\$10,773.63	\$10,773.63

2. Overall Labor Burden to Federal Government

a. Total Number of Annual Responses: 10,421

b. Total Labor Burden: \$10,773.63

The weighted average wage is \$51.30 which is based on 30 hours @ \$60.83 for GS-14 Step 5, 70 hours @ \$46.94 for GS-13 Step 2, and 110 hours @ \$51.48 for GS-13 Step 5 using OPM 2017 General Schedule for Washington-Baltimore-Arlington , DC-MD-VA-WV-PA and can be found at :<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2017/general-schedule/>

Operational and Maintenance Costs						
Equipment	Printing	Postage	Software Purchases	Licensing Costs	Other	Total

\$00.00	\$00.00	\$00.00	\$00.00	\$00.00	\$00.00	\$00.00
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There are no operational and maintenance costs that come as a result of this collection, as no new equipment, printing, postage, software purchases, licensing costs, or other costs are involved.

Total Cost to the Federal Government		
Operational and Maintenance Costs	Labor Cost to the Federal Government	Total Cost (O&M Costs + Labor Cost)
\$00.00	\$10,773.63	\$10,773.63

15. Reasons for Change in Burden

DSS transitioned the data collection for OMB 0704-0417 from a commercial survey vendor to the National Industrial Security System (NISS). The transition streamlined processes and eliminated the contact validation phase, which reduced the time burden on industry to complete the survey. The burden time for each respondent to complete this survey has reduced to 30 minutes from 80 minutes since the last time this collection was approved in 2015. This data collection is a census of approximately 12K cleared contractor facilities available in the National Industrial Security System (NISS). In 2016 and 2017, over 10K facilities participated which achieved response rates of 86.5% and 87.5%, respectively. The survey data was used to project case and cost estimates, integral to planning and programming for NISP personnel security investigations across the Fiscal Year Defense Plan.

16. Publication of Results

The results of this information collection will not be published.

17. Non-Display of OMB Expiration Date

We are not seeking approval to omit the display of the expiration date of the OMB approval on the collection instrument.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

We are not requesting any exemptions to the provisions stated in 5 CFR 1320.9.