

SUPPORTING STATEMENT – PART A

Industry Cost Collection Report – OMB 0704-0458

Summary of Changes

- The burden estimates for respondent and Federal labor have slightly increased since this ICRs last approval in 2017. This is due to a rise in estimated labor costs for respondents and an increase in the number of respondents.

1. JUSTIFICATION

Need for the Information Collection

Executive Order (EO) 12829, “National Industrial Security Program (NISP)”, required agency heads to account each year for intra-agency costs associated with the implementation of the NISP and to report these costs to the Director, Information Security Oversight Office (ISOO), who is responsible for including them in annual reports to the President. In furtherance of this requirement, and pursuant with 32 Code of Federal Regulations (CFR), Subpart F, section 2001.61 (b); “Classified National Security Information; Final Rule,” the Secretary of Defense, acting as executive agent for the NISP, is obligated to collect cost estimates for classification-related activities of contractors, licensees, certificate holders, and grantees and report them to ISOO annually. The cost collection methodology employed by this Department since 1996 was validated with the ISOO in December, 2007.

Department of Defense Directive (DoDD) 5105.42, “Subject: Defense Counterintelligence and Security Agency (DCSA)”, delineates the mission, functions and responsibilities of DCSA. In accordance with this Directive, DCSA was an Agency of the Department of Defense (DoD) 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 (OUSDI). As such, DCSA was also transferred under the management and control of OUSDI. In February 2005, DCSA 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, DCSA is currently responsible for the following:

- a) Administer and implement the Defense portion of the NISP for DoD and 33 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.

EO 12829 also authorizes the Executive Agent to issue, after consultation with affected agencies, standard forms that will promote the implementation of the NISP.

2. Use of the Information

A commercial web-based survey tool hosts the data collection. Prior to the annual launch of this collection, DCSA randomly selects active NISP facilities that will be able to submit security costs. The random selection to submit facility cost estimates is dependent on the facility having an active Facility Clearance (FCL) and permanent Commercial and Government Entity (CAGE) Code. The data collection must be completed during the annual reporting period, which covers a two-week span. The collection is typically deployed during the month of January.

The recipients from each of the facilities, referred to as Facility Security Officers (FSO), receive an email invitation at the launch of the reporting period. The FSO is a contractor that supervises and directs security-related activities and measures within a facility. The FSO will click a Uniform Resource Locator (URL) link contained within the email invitation to complete the data collection. There will be weekly follow-up reminders sent from the survey vendor to the FSO during the reporting period to those facilities yet to submit their cost estimates.

Information provided will become part of DCSA records of cleared contractor facility data collections, retrieved by the name of the facility CAGE Code, not the FSO contact information. DCSA is tasked to collect the costs from NISP contractors who possess classified information at their cleared facility pursuant to the reporting requirement of 32 CFR Part 2001, Subpart F, section 2001.61 (b); Classified National Security Information. The DoD estimates aggregate security costs for contractors to the ISOO.

3. Use of Information Technology

The use of information technology has been considered appropriate for the purposes of this collection. The email invitation includes a secure link to access and complete the online data collection. 100% of contractor facilities participating in this data collection complete the "NISP Cost Collection" electronically.

4. Non-duplication

The joint-government-industry Industrial Security Cost Task Force was formed in early 1995 to develop an acceptable model to fulfill 32 CFR, Subpart F obligations of the Secretary of Defense under the NISP. The objective of the Task Force was to formulate a cost collection and reporting methodology that would not be prohibitively expensive, but would take into account "lessons learned" from previous related studies, and responsibly address newly articulated problematic aspects expressed by its industry members. The draft methodology was supported by the joint-government-industry NISP Policy Advisory Committee during its meeting on September 27, 1995 and was accepted for implementation on February 9, 1996 by the six industry group signatories to the memorandum of understanding (MOU), which was established to convey consensus positions to appropriate government security authorities relative to NISP policies, procedures, and practices.

Since this data collection's implementation in 1995, no other duplicative efforts have been undertaken to estimate Industry cost associated with implementation of the NISP. Government organizations and industry representatives within the Industrial Security Cost Task Force are aware that this is an annual request, slated to occur in late winter of each calendar year to align with the budget cycle.

5. Burden on Small Business

DCSA is only asking for the minimum amount of information necessary for reporting needs. Due to the unique facility categories of contractors participating in the NISP, DCSA can employ a random sampling technique to minimize the amount of respondents required. DCSA conducts an annual data collection (1,014 respondents) at cleared contractor facilities eligible to protect classified information participating within the NISP. In short, this collection has a very minimal impact on businesses.

6. Less Frequent Collection

Pursuant to EO 12829, "NISP, and reporting requirement of 32 CFR Part 2001, Subpart F, section 2001.61 (b); Classified National Security Information, the DoD estimates aggregate security costs for contractors to the ISOO. In turn, ISOO reports to the President on the cost of the NISP annually. To meet the requirement of the EO, DCSA is tasked to collect the costs by surveying contractors who possess classified information at their cleared facility.

7. Paperwork Reduction Act Guidelines

There are no special circumstances affecting this collection.

8. Consultation and Public Comments

Part A: PUBLIC NOTICE

A 60-Day Federal Register Notice (FRN) for the collection published on Wednesday, February 5, 2020. The 60-Day FRN citation is 85 FRN 6535.

No comments were received during the 60-Day Comment Period.

A 30-Day Federal Register Notice for the collection published on Friday, April 24, 2020. The 30-Day FRN citation is 85 FRN 23010.

Part B: CONSULTATION

DCSA has consulted with staff from the ISOO and Industry members of the National Industrial Security Program Policy Advisory Committee (NISPPAC). The NISPPAC is responsible for recommending changes in industrial security policy through modifications to EO 12829. The NISPPAC also advises the ISOO on all matters concerning NISP policy and serves as a forum to discuss policy issues in dispute. As a result of those discussions, an effort is underway to improve this data collection through incorporating additional definitions. DCSA expects the dialogue with ISOO to continue into the future. However, there are no plans to alter the questions themselves and DCSA will implement once finalized.

9. Gifts or Payment

No payments or gifts will be provided to respondents.

10. Confidentiality

The response to questions on the “Industry Cost Collection Report” 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 estimated cost of NISP classification-related activities. Only the aggregate data is reported and all individual company information is kept in DCSA records.

A Privacy Act Statement (PAS) is not required since PII is not being collected.

A System of Record Notice (SORN) is not required since records are not retrieved by personally identifiable information (PII).

A Privacy Impact Assessment (PIA) is not required since PII is not being collected electronically.

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

11. Sensitive Questions

There are no sensitive questions asked in this collection.

12. Respondent Burden, and its Labor Costs

- a. Number of Respondents: 1,150
- b. Number of Responses per Respondent: 1
- c. Number of Total Annual Responses: 1,150
- d. Response Time: 30 Minutes
- e. Respondent Burden Hours: 575 Hours

Total Submission Burden

- a. Total Number of Respondents: 1,150
- b. Total Number of Annual Responses: 1,150
- c. Total Respondent Burden Hours: 575 Hours

Labor Cost of Respondent Burden

- a. Number of Total Annual Responses: 1,150
- b. Response Time: 30 Minutes
- c. Respondent Hourly Wage: \$49.19¹
- d. Labor Burden per Response: \$24.60
- e. Total Labor Burden: \$28,284.25

Overall Labor Burden

- a. Total Number of Annual Responses: 1,150
- b. Total Labor Burden: \$28,284.25

13. Respondent Costs Other Than Burden Hour Costs

There are no costs to respondents other than labor costs.

14. Cost to the Federal Government

1. Industry Cost Collection Report
 - a. Number of Total Annual Responses: 1,150
 - b. Processing Time per Response: 0.09 hours
 - c. Hourly Wage of Worker(s) Processing Responses: \$59.95²
 - d. Cost to Process Each Response: \$5.40
 - e. Total Cost to Process Responses: \$6,204.83
2. Overall Labor Burden to Federal Government
 - a. Total Number of Annual Responses: 1,150

Total Labor Burden: \$6,204.83

Operational and Maintenance Costs

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.

- a. Equipment: \$0
- b. Printing: \$20,000
- c. Postage: \$120,000
- d. Software Purchases: \$0

¹ Using OPM 2020 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/salary-tables/pdf/2020/DCB_h.pdf.

² The weighted average wage is \$59.95 which is based on 32 hours @ \$67.82 for GS-14 Step 6 and 60 hours @ \$55.75 for GS-13- Step 5 using OPM 2020 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/salary-tables/pdf/2020/DCB_h.pdf

- e. Licensing Costs: \$0
- f. Other: \$0
- g. Total: \$0
- 1. Total Operational and Maintenance Costs: \$0
- 2. Total Labor Cost to the Federal Government: \$6,204.83
- 3. Total Cost to the Federal Government: \$6,204.83

15. Reasons for Change in Burden

The burden time for each respondent to complete this data collection has remained the same (30 minutes) since the last time this collection was approved in 2016. The number of respondents has increased slightly (~ 1,150). Therefore the total burden hours have slightly increased, and the associated costs have also increased based on an increase in labor costs from 2016 to 2020.

16. Publication of Results

The data is analyzed and reported by DCSA to the ISOO Director in order to comply with EO 12829, which requires the DoD to account each year for the costs associated with implementation of the NISP and report those costs.

17. Non-Display of Office of Management and Budget (OMB) Expiration Date

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

18. Exceptions to "Certification for Paperwork Reduction Submissions"

No exemptions are sought with this collection.