

SUPPORTING STATEMENT – PART A

Personnel Security Investigation Projection for Industry Census – 0704-0417

Summary of Changes from Previously Approved Collection

- Content remains the same besides changes to reflect transition from Defense Security Service (DSS) to Defense Counterintelligence and Security Agency (DCSA) and date changes. Census is now accessed in the National Industrial Security System (NISS, OMB Control No. 0705-0006)
- Overall respondent burden has increased since the last approval despite a decrease in number of respondents. This is because response time has increased from 30 minutes to 40 minutes and the pay-rate associated with a GS13 step 1 has also increased since the last approval.
- Total cost to the Federal government has decreased.
- “Survey” removed from collection title to more clearly convey intent for the collection to serve as a census

1. Need for the Information Collection

Executive Order (EO) 12829, "National Industrial Security Program (NISIP)", 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 (Now DCSA). In accordance with this Directive the Defense Counterintelligence and Security Agency (DCSA) 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 DCSA was also transferred under the management and control of OUSD (I). 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 National Industrial Security Program (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.

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, DCSA 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 web-based survey tool within the National Industrial Security System (NISS) 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 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.

In 2019, DCSA transitioned to utilizing the National Industrial Security System (NISS) to conduct the PSI census to industry. The transition has not been smooth, and the census response rate has decreased due to issues with NISS account access and system latency. Prior to the transition response rates were over 85%, but in the first year of the transition to NISS the

response rate was 55%. Since then the response rate increased to 65% in 2020, and to 67% in 2021. Ongoing system modifications continue to improve NISS and decrease latency issues.

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 DCSA'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

DCSA performs the Personnel Security Investigation Projection for Industry Census 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 DCSA's intent to collect this data.

DCSA annually provides reminders of the census 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 census 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, DCSA's 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

A 60-Day Federal Register Notice (FRN) for the collection published on Thursday, March 18, 2021. The 60-Day FRN citation is 86 FR 14739.

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

A 30-Day Federal Register Notice for the collection published on Monday, May 17, 2021. The 30-Day FRN citation is 86 FR 26709.

Part B: CONSULTATION

In 2016 DCSA simplified processes through elimination of the contact validation phase. DCSA consulted with Industry representatives to perform beta testing of the new application. Industry representatives advised DCSA on ways to further improve the census application, which led to the development of video tutorials and user manuals. Since 2018, DCSA has worked with contractors to continually improve NISS with respect to the PSI census to industry.

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" 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 DCSA records.

The Personnel Security Investigation Census itself does not collect PII. However, the National Industry Security System (NISS, OMB Control No. 0705-0006) on which the census is accessed does have an associated SORN and PIA. They are included in the package for OMB's review.

A Privacy Act Statement is located at the beginning of the census, along with the OMB Control Number and the Agency Disclosure Notice.

The Records Retention and Disposition Schedule is GRS 1.1, item 040 of 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

Part A: ESTIMATION OF RESPONDENT BURDEN

1) Collection Instrument(s)

Personnel Security Investigation Projection for Industry Census

- a) Number of Respondents: 7,999
- b) Number of Responses Per Respondent: 1
- c) Number of Total Annual Responses: 7,999
- d) Response Time: 40 minutes
- e) Respondent Burden Hours: 5,332.7

2) Total Submission Burden (Summation or average based on collection)

- a) Total Number of Respondents: 7,999
- b) Total Number of Annual Responses: 7,999
- c) Total Respondent Burden Hours: 5,333

Part B: LABOR COST OF RESPONDENT BURDEN

1) Collection Instrument(s)

Personnel Security Investigation Projection for Industry Census

- a) Number of Total Annual Responses: 7,999
- b) Response Time: 40 minutes
- c) Respondent Hourly Wage: \$49.68
- d) Labor Burden per Response: \$33.12
- e) Total Labor Burden: \$264,926.88

2) Overall Labor Burden

- a) Total Number of Annual Responses: 7,999
- b) Total Labor Burden: \$264,927

Used OPM 2021 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/2021/DCB_h.pdf

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

Part A: LABOR COST TO THE FEDERAL GOVERNMENT

1) Collection Instrument(s)

Personnel Security Investigation Projection for Industry Census

- a) Number of Total Annual Responses: 7,999
- b) Processing Time per Response: .02 hours
- c) Hourly Wage of Worker(s) Processing Responses: \$56.10
- d) Cost to Process Each Response: \$1.12
- e) Total Cost to Process Responses: \$8,974.88

2) Overall Labor Burden to the Federal Government

- a) Total Number of Annual Responses: 7,999
- b) Total Labor Burden: \$8,974.88

The weighted average wage is \$56.10 which is based on 25 hours @ \$66.54 for GS-14 Step 5, and 180 hours @ \$54.65 for GS-13 Step 4 using OPM 2021 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/2021/DCB_h.pdf

Part B: OPERATIONAL AND MAINTENANCE COSTS

1) Cost Categories

- a) Equipment: \$0
- b) Printing: \$0
- c) Postage: \$0
- d) Software Purchases: \$0
- e) Licensing Costs: \$0
- f) Other: \$0

2) Total Operational and Maintenance Cost: \$0

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.

Part C: TOTAL COST TO THE FEDERAL GOVERNMENT

1) Total Labor Cost to the Federal Government: \$8,974.88

2) Total Operational and Maintenance Costs: \$0

3) Total Cost to the Federal Government: \$8,975

15. Reasons for Change in Burden

DCSA transitioned the data collection for OMB 0704-0417 from a commercial survey vendor to the National Industrial Security System (NISS) in 2018. The burden time for each respondent to complete the census has increased to 40 minutes from 30 minutes, and the pay-rates associated with a GS13 step 1 has also increased over the last several years. However, the number of cleared contractor facilities enrolled in NISS and completing the census has decreased since the transition to NISS. Over the last several years, there have been several latency issues with NISS, and many of those have been corrected. This will likely lead to a decrease in the cost burden. This data collection is a census of approximately 12K cleared contractor facilities available in the National Industrial Security System (NISS). In 2020, approximately 8K facilities participated. The census 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.